

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

22 February 1983

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Fourteenth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Tuesday the 22nd February, 1983.

PRESENT:

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

GOVERNMENT:

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

OPPOSITION

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

The Hon J Bossano

IN ATTENDANCE:

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

PRAYER

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 8th December, 1982, having been previously circulated, were taken as read and confirmed.

COMMUNICATIONS FROM THE CHAIR

MR SPEAKER:

Hon Members may remember that during the Christmas holidays we had a private visit from Mr Speaker Thomas from the House of Commons. I have received a personal letter from Mr Thomas and he ends the letter by saying: "It was also a great honour and privilege to meet your parliamentary colleagues who were good enough to assemble although it was a holiday period. I shall be grateful if you will convey my deep gratitude to the Assembly for the courtesies that were extended to me". I thought I would let you know that I had been asked to thank you all for your courtesy to Mr Speaker Thomas.

DOCUMENTS LAID

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

Reports of the Charity Commissioners for the years 1980 and 1981.

Ordered to lie.

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

The Traffic (Removal of Vehicles) Regulations, 1982.

Ordered to lie.

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

(1) The City Fire Brigade (Discipline) (Amendment) Regulations, 1982.

(2) The International Trunk Calls Charges (Amendment) Regulations, 1982.

Ordered to lie.

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

The Group Practice Medical Scheme (Amendment) Regulations, 1982.

Ordered to lie.

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

(1) The Banking Regulations, 1982.

- (2) The Government Debentures (Exemption from Estate Duty) Regulations, 1983.
- (3) Supplementary Agreement dated the 13th January, 1983, between the Government of Gibraltar and Lloyds Bank International Ltd.
- (4) Supplementary Estimates Consolidated Fund (No 4 of 1982/83).
- (5) Supplementary Estimates Improvement and Development Fund (No 4 of 1982/83).
- (6) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 5 of 1982/83).
- (7) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 6 of 1982/83).
- (8) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 2 of 1982/83).

Ordered to lie.

ANSWERS TO QUESTIONS

The House recessed at 1.00 pm.

The House resumed at 3.20 pm.

Answers to Questions continued.

THE ORDER OF THE DAY

MR SPEAKER:

The Hon the Minister for Economic Development and Trade and the Hon the Minister for Public Works have given notice that they wish to make statements.

HON CHIEF MINISTER:

Mr Speaker, before my colleague gets on to the statement, as I have explained to you for urgent inevitable reasons I have got to absent myself earlier than other Members today. I notice that the Order Paper provides that the first motion is my motion on the question of the Naval Base and there is another motion by the Hon Financial and Development Secretary which could take precedence, if you agree, and we could start with the other motion first thing tomorrow morning, if you reach that stage.

MR SPEAKER:

I think that will be perfectly in order. I will then call on the Minister for Economic Development and Trade to make his statement.

HON A J CANEPA

Thank you. Sir, Mr Speaker, on the 15th December 1982, it was announced that the British Government had agreed to contribute a total of £13 million towards the 1981/86 Development Programme. This sum included the £4 million interim aid tranche agreed in December, 1981. It was also announced that this welcome and appreciable contribution had fallen short of our request for an aid commitment of £18 million, and that the Gibraltar Government would therefore be urgently examining the implications for the programme as a whole.

I am now in a position to inform the House of the planned priorities for the Development Programme. Before doing so I wish to trace some background which is relevant to the direction of our future development spending. I will not dwell on the problems and frustrations which have characterised the 22-month delay for a final and comprehensive reply to the Aid Submission despatched as far back as February, 1981. I think that the Chief Minister, in reply to question number 342 of 1982 by the Honourable Leader of the Opposition, on the 8th December 1982, covered all the salient points. I must nevertheless emphasise that the delays and the constraints, particularly on the £4 million tranche, have created a damaging hiatus, seriously affecting the pace of development activity in Gibraltar. It has led to unemployment, it has disrupted planning and it has lost us valuable momentum. All this has distorted the allocation of scarce resources at a time when the economy has been facing growing uncertainty and contraction following the British Government's decision to close the dockyard and the aborted openings of the frontier. All this, Mr Speaker, has an important bearing on the rate of progress so far achieved and on the basis which is likely to govern the nature and speed of public sector development.

I would like, first of all, to remind and up-date the House of the position regarding projects which fell (and I am tempted to use the pun) under the £4 million allocation. Since the latter allocation in mid-December, 1981, a total of twelve project applications have been submitted to the Overseas Development Administration; five in January 1982, two in April 1982, one in May 1982, another in June 1982, one in August 1982, and two more in September 1982. Of these, five were formally rejected - Rosia Dale housing, the extension to Bayside School, pedestrianisation, the footbridge in Winston Churchill Avenue, and road and car-parking works connected with the expected frontier opening.

A sixth application, that for the Motor Vehicle Testing Centre, will, we understand, shortly be rejected also. Five projects have been approved for a total sum of £2,374,000. These are the Viaduct Causeway, Mains Renewals, a sewerage pumping station at Catalan Bay, the unstuffing shed and Hesse's pumping station. The remaining project application relates to the distiller which is pending but with which I will deal later in some detail.

There can be no doubt that the Government has wasted little time and effort in submitting projects to the ODA in order to regenerate quickly the level of development activity in Gibraltar. I would go further Mr Speaker. There are clearly constraints on our own financial resources particularly on our borrowing capacity and liquidity. These constraints have been, and continue to be, exacerbated by the precarious and uncertain state of the economy which has been thrust into a crisis of confidence following HM Government's proposed closure of the Naval Dockyard in 1983. Despite these constraints, the Government decided to fund the Rosia Dale housing project and Boys' School extension scheme from local resources, imposing a contingent liability of some £2 million on the Consolidated Fund. It is also our intention to borrow up to £10 million as a further local contribution to development projects, of which some £5 million could be available for new projects. Up to now therefore - despite many set-backs - let it not be said that this Government has lacked effort on development.

I would like to move on now to the proposed approach for financing our priority projects in the light of available aid funds and the Government's projected resources. A total of £10,626 million of aid funds is now available. Earlier this month, officials of the ODA visited Gibraltar. Extensive and useful discussions were held on the development plan, particularly on the likely prospects for favourable consideration of individual projects. Having regard to the ODA's basic criteria to fund essential infrastructure and revenue-earning projects, broad agreement was reached on an order of priorities for the submission of projects. It has been decided to proceed in the first instance with a revised application seeking aid funds for the full cost of two distillers at a projected cost of some £6.8 million. This application replaces an original request sent a year ago seeking funds for one distiller which was subsequently held up following the award of a tender at a higher cost than estimated. The new application was sent on the 8th February, 1983, and will have to be considered and approved by the ODA Projects Evaluation Committee; fortunately, both the technical and economic advisers in ODA have had sufficient time and material to prepare an early report to this Committee and a reply is expected hopefully by the end of next month. Although the project is viewed sympathetically, it is not known whether any approval will extend to the full cost or the UK element

which is put at some £2.7 million. This leaves an aid balance ranging from around £3.8 million to £7.9 million. Three major projects are in line for submission under this amount but the priority and the extent of funding will obviously depend on the final outcome of the distiller application. The three projects concern further electricity generating plant, the port and pedestrianisation. The three schemes represent a total cost of around £8 million, but phasing of the port development schemes and pedestrianisation can accommodate a lower sum. Formal applications for these major project areas will have to fall in line with the known commitment on distillers. To avoid unnecessary delays, however, all three projects are currently being appraised by the ODA following detailed discussions in Gibraltar earlier this month. In addition a series of projects, including road widening in Sir Herbert Miles Road, tourist improvement schemes, car parking provision in the Engineer House area and the re-siting of Customs, will be held as "fall-back" projects pending the outcome of the first four priority areas which I have already outlined. I hope to be in a position to inform the House of the final allocation among individual projects over the next two to three months. I trust that the House will appreciate that whilst we are once again prepared to proceed on a series of projects, the actual order and size of aid projects depends on the ODA's evaluation.

In terms of local funding, Mr Speaker, the Government's priority will be in channelling substantial funds to housing. The ODA have repeated that the extent of their assistance on housing will be confined to the provision of specialist advice in the form of a housing consultancy. Consultants are in fact expected to be appointed shortly and should be in Gibraltar by the end of this month or the beginning of next month. In addition to on-going housing projects, new schemes which will form part of the overall Housing Programme include Vineyards Phase I, otherwise known as gas works, Tank Ramp Phase II, Castle Ramp/Road to the Lines, Rosia Dale Phase III and the conversion of the Glacis School voids into bedsitters. A start on further housing schemes will depend on the state of the Government's finances. A decision on budgetary contributions to the Improvement and Development Fund will be considered in the context of the 1983 Budget. The Government intends to fund projects in other areas of need notably housing repairs, rationalisation of schools, and the provision of Government office accommodation. Schemes which are currently earmarked for ODA funding either as priority or contingency might also have to be locally funded in whole or in part. The total overall commitment for the next programme should therefore be at least some £20 million over the next two years, subject to review on additional funding next year.

Mr Speaker, I can assure Honourable Members that the will

and the commitment to meet these expenditure targets in the Development Programme are there. We have been at pains to stress to ODA officials the need for urgent and sympathetic consideration of our project applications. It is to be hoped that their co-operation and support will be forthcoming in order to enable us to inject these badly-needed and overdue funds into our economy.

The House recessed at 5.25 pm.

The House resumed at 5.55 pm.

MR SPEAKER:

I would remind Members that we just had the statement by the Hon the Minister for Economic Development and Trade and you are free now to ask any questions you may wish.

HON P J ISOLA:

Mr Speaker, in a way the statement of the Minister is somewhat disappointing in the sense that it appears that here we are, some 22 months after the original development programme was submitted to London, there has been a hiatus, as the Minister has described, for a long period, this has caused great damage I feel to the impetus and the momentum of development in Gibraltar that has had its repercussions on the building industry and development, generally, in Gibraltar and on the economy and it seems that we are still in 1983, two whole years after the development programme was submitted, we are still at the stage when only some £2.3 million odd have actually been approved and this must be a cause for some considerable misgiving and some considerable alarm in the House and I think in Gibraltar. The actual schemes that are being put forward although of course necessary I suppose to the infrastructure of tourism and so forth in Gibraltar, even those do not appear to have been approved although sympathetic noises have been made and I think, I really do think, that unless some real progress is obtained or one gets real progress in obtaining approval for expenditure and getting the economy going again, unless some real assurances are obtained, there is, I feel, a need for the Gibraltar Government to seek high level talks at Ministerial level to get these projects going. I realise that in terms of our other problems of the Dockyard and even the effects of the partial opening of the frontier, development does not necessarily take top place but it is nevertheless very important and I think that the approval of schemes should not be allowed to be linked with decisions with regard to the Dockyard and its future, this should go full ahead and the Minister will have the full support of the Opposition if progress is not made and he seeks discussions at ministerial level in London. It is, of course, disappointing, Mr Speaker, that the British Government is no longer prepared to finance housing projects and non-

revenue producing projects but I suspected that this would be the case given the criteria currently in use by the present British Government. As far as we are concerned we support housing projects, we look to more housing being provided in Gibraltar but it is becoming increasingly clear to us that if we are to have development in Gibraltar and we are to be able to produce our own development project having regard to all the other aspects playing on the economy and on our position, there will be a great need to become very cost effective in development and to get our priorities right. I do not think I have anything further to say, Mr Speaker, at this stage on the statement made by the Minister but I think it is disappointing, very disappointing from our point of view and from Gibraltar's point of view that the Minister has been able to report really such little progress on funds. I agree entirely with what the Minister has said that if this is to be effective, if this is to have an effect on our economy, it is essential that the time-span in which the money is spent is as short as possible. If it stretches out more than two years then I take his point and I agree entirely, the effects on the economy will be lost, well, not completely lost but it will not be as effective as one would want it to be and what the economy really needs today is to get development going in a big way and we certainly will support the Government in trying to get ODA approval to their projects.

MR SPEAKER:

In order to make clear what we are doing now, as usual I have allowed the Hon and Learned Leader of the Opposition to make a general comment on the statement as he represents the majority of the Opposition. In the circumstances I will allow Mr Bossano to say some words on that score exclusively and then any Hon Member who may wish to ask questions either for the purposes of clarifying the statement or in furtherance of the questions that they gave notice of are free to do so. Mr Bossano, do you want to make a general comment?

HON J BOSSANO:

Yes, Mr Spaker, I welcome the opportunity to do so. I think the immediate reaction of my party to this statement is in fact that it produces concrete evidence of the way Gibraltar's economy is being undermined by the approach adopted by the British Government since the end of the 1978/81 development programme and the aid allocation and it appears to me, Mr Speaker, that the Government can only defend this very restrictive policy being applied by the British Government by reference to an even more restrictive policy of not giving them any money at all which apparently was something that was actually being mooted and which has been reflected in answers to previous questions in the House where I think it was indicated that until the matter was taken up at Ministerial level the officials in ODA were saying that

Gibraltar was too well off really to merit aid allocation. In that context it would appear to me that the attempts to get political support which is what has produced this, has been exhausted. I certainly think that if the Hon and Learned Leader of the Opposition thinks that the Government can get a better deal by seeking political support and if that view is shared by the Government then the opportunity should not be wasted but it is not a view that I share, I think that they will not get a response because I believe that the whole attitude is conditioned by a policy and a philosophy which can only lead to a downgrading of the standard of living of Gibraltar and that such a downgrading can only be compatible with its eventual integration into its hinterland which my party will oppose and I think it is only when Gibraltarians insist that the British Government cannot retain its power and give up its responsibilities that we will see a change in policy.

HON A J HAYNES:

Mr Speaker, can the Hon Minister outline the proposed phasing of the Port Development which he had in mind when he outlined the possible inclusion of the three projects, namely, generating plant, port and pedestrianisation? What does he mean by port, can he be more specific?

HON A J CANEPA:

Sir, quite apart from the causeway project, the Port scheme is phased into reclamation, paving and the facilities, facilities by way of a terminal for cruise passengers. The ODA apparently already have indicated they are not convinced of the need for facilities at this stage and we may have to consider whether that project should be considered under local funding if funds are available after we have carried out other perhaps more urgent priority works. It is reclamation, paving and facilities to follow the causeway project.

HON A J HAYNES:

Paving what?

HON A J CANEPA:

Paving generally around the Port which is badly required.

HON A J HAYNES:

But surely that is a fairly minor scheme?

HON A J CANEPA:

Not in the wake of reclamation of the Waterport Basin.

HON A J HAYNES:

Mr Speaker, as I understand it, and in fact it has been made abundantly clear by the ODA team to the Hon Minister and he has taken pains to point out to the House on a number of occasions that the ODA are prepared to fund those projects which they consider will be economically viable or will be productive for an economy. On what basis have they rejected or are they contemplating the rejection of the improved facilities for liners, I would have thought that is an obvious example of money which can be spent to raise money?

HON A J CANEPA:

I met the ODA officials who were here three weeks ago on two or three occasions but I was not involved myself in detailed discussions on individual projects. I think what I have said is that they indicated that they were not convinced on the need for facilities at this stage. There has not been any, shall I say, any outright rejection yet because in fact no project application has been submitted. What was being discussed three weeks ago, what was being attempted was to reach broad agreement on the guidelines and criteria so that we would then know which would be the individual projects which would have a better chance of acceptance after an early evaluation by ODA. The ODA officials will probably be returning in March and it will be after that stage when I think the Gibraltar Government will need to assess and take into account the point which has been made by the Hon the Leader of the Opposition and for which I am grateful, I am grateful of the Opposition's support on the matter, whether there is a need to follow it up at a political level depending on the progress that we make next month and once project applications individually are submitted if there are delays in replying or if there are further rejections I think that will be the stage when we have to consider a political appeal but on this specific one we do not have any detailed indications yet, it was just an indication that we received.

HON A J HAYNES:

Mr Speaker, on the housing information given by the Minister, I take it that the listed schemes will all be undertaken by Government on the money they have borrowed or their own money. Is there any timescale for these projects and does the Minister have details of general figures as to the number of units of housing that we are talking about, roughly?

HON A J CANEPA:

In the case of the first phase of Vineyards or Gas Works, Mr Speaker, we are talking of 70 units, we are hoping to

make a start in January 1984, and the time-scale for that would be, it is a biggish scheme, that would be slightly over two years, nearly 2½ years, beginning in January, 1984. Tank Ramp Phase II consists of eleven units and there we are hoping to make an earlier start in July, 1983. Castle Ramp/Road to the Lines, this is really a second phase, 22 units and we are hoping to make a start in June, 1983. Rosia Dale which has already started, the second phase of Rosia Dale, that involves 32 units and the Glacis voids, the conversion of these into bedsitters, involving 13 units, we can make a start on that once the extension to the Boys' school is completed and the school moves into the extension thereby making available these voids.

HON W T SCOTT:

Mr Speaker, in releasing or agreeing to or rejecting any of the projects does the ODA, in fact, take into account an existing pedestrianised opening or look forward, perhaps, to a full implementation of the Lisbon Agreement or in fact does this come into their reckoning at all?

HON A J CANEPA:

Yes, they do take this into account. For instance, in discussing the Waterport reclamation, whether there is a full opening or only a limited opening has a bearing on that particular project, it is a factor that they do take into account.

HON W T SCOTT:

In which case I would presume that tourist improvement schemes would fall within the infrastructure, am I not right in assuming that?

HON A J CANEPA:

I would like to think so, Mr Speaker, I would agree with the Hon Member that I myself would argue and if not to infrastructure revenue-earning projects which is the second plank of their criteria.

HON G T RESTANO:

Will the Minister give details on the further electricity generating plant?

HON A J CANEPA:

This is a third generator, Mr Speaker, probably 7.5 megawatts. It is due in 1986 but we may consider bringing it forward under the ambit of the development programme.

HON G T RESTANO:

At what cost, any idea?

HON A J CANEPA:

We wouldn't know until we go out to tender and I wouldn't like to put a figure on it.

MR SPEAKER:

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

HON M K FEATHERSTONE:

Mr Speaker, I am sure the House will be pleased to learn that negotiations with Messrs Robertson's Research concerning the Government's and the Sand Quarry's claims against them have now been finalised.

Messrs Robertson's Research sent a team out to Gibraltar in early December last year and the Public Works and the Sand Quarry Company, with the assistance of Government's Legal Department, held discussions with them.

After two days of very hard bargaining a solution was reached which Government and the Sand Quarry Company considered to be satisfactory. The solution included the payment to the Gibraltar Quarry Company of £50,000 by Messrs Robertson's Research and the payment to the Gibraltar Government of £148,000 - these payments being made on the agreement that they would be full and final settlement of all outstanding claims by both the Quarry Company and the Government against Messrs Robertson's Research. There were some sums of money owing to Messrs Robertson's Research by both the Quarry Company and the Government, and these were agreed as legitimate amounts owing to Messrs Robertson's Research. It was further agreed that these sums would be deducted from the totals being paid to the Quarry Company and the Government by Messrs Robertson's Research.

The ODA was kept in the picture and they have agreed fully to the terms of the agreement between the Government, the Quarry Company and Messrs Robertson's Research. I am now in a position to inform the House that the net sum of £170,000 has been received by the Government on behalf of itself and the Quarry Company and the sum involved has been placed in the I & D Fund. In due course the amount owing to the Quarry Company, which is a net figure of £35,000, will come to the House for agreement for payment, and the balance of £135,000 will remain in the I & D Fund for meeting the cost of a system by which sand can be transferred from the upper catchment area to the lower ground level instead of the unsuccessful chute.

At the moment investigations are continuing as to the best possible replacement method and a further statement on this will be made in due course. It is hoped that the cost of such a system will be well within the £135,000 obtained, and it has been agreed with ODA that any balance remaining will be split between the Gibraltar Government and ODA on a pro rata basis, taking into account the amounts that the Gibraltar Government has put into the original scheme from its own resources and the amount that ODA has put into the scheme.

I am sure the House will agree with me that this is a very satisfactory solution to a situation which has been long drawn out, and will also agree that solving the matter by negotiation was infinitely better than the process of going to arbitration which would have been not only a long drawn out procedure but might not have resulted as favourably as the present solution.

HON P J ISOLA:

Mr Speaker, as a result of this settlement is the Minister saying that within the money that is actually being paid

it will be possible to have an alternative method of bringing the sand down from where it was originally intended it should be brought with no additional costs?

HON M K FEATHERSTONE:

As I have said, Sir: "It is hoped that the cost of such a system will be well within the £135,000 obtained".

HON P J ISOLA:

I know that the Minister has said it is hoped but is that hope based on fact or is that speculative hope?

HON M K FEATHERSTONE:

It is based on some quotations we have already received but of course the final situation will be it will have to go out to tender and then we will know the exact figures.

HON W T SCOTT:

Can the Minister confirm that Robertson's Research are in no way even loosely connected with the final stage of bringing the sand down?

HON M K FEATHERSTONE:

Absolutely, Sir.

HON MAJOR R J PELIZA:

Could the Minister say how the sand is being obtained at the moment? Are the chutes being used or is it in fact being dug from underneath what appears to me to be like a retaining wall?

HON M K FEATHERSTONE:

The sand that is being produced at the moment is being produced from the talus area, conveyed to the quarry area and screened there.

HON A J HAYNES:

Is it now expected that the Sand Quarry Company will desist from taking sand from the bottom of the slope?

HON M K FEATHERSTONE:

It hasn't been taking sand from the bottom of the slope for the last year. If you go round there and you see sand being moved at the bottom, what is happening is that it is being brought from the talus area, dumped there and it is then put through the screening process.

HON A J HAYNES:

Perhaps the Minister will allow us to visit the sand quarry area so that we can see for ourselves?

HON M K FEATHERSTONE:

Whenever you would like to come I will take you with pleasure.

HON MAJOR R J PELIZA:

Is the Minister happy that there is no risk of a landslide there now?

MR SPEAKER:

No, we are not going to expand on that.

HON W T SCOTT:

Mr Speaker, within the sum of £198,000, were the losses of the Sand Quarry Company sustained by it over the years that it has been in operation contained within that amount?

HON M K FEATHERSTONE:

When one goes to these negotiations one asks for everything that one can possibly think of but the sum obtained by the Sand Quarry Company of £50,000 is a very reasonable figure and I think it will if put against the losses for the two years practically wipe them out. It might even show a profit and therefore there was no need to change the directors.

HON W T SCOTT:

Is that in fact what the Hon Member opposite was telling me, I think it was in December of last year, when he was saying that we might be surprised because the Sand Quarry Company might indeed make a profit? Is it because of the injection of £50,000 or is it because it is running on a more viable basis now?

HON M K FEATHERSTONE:

No, Sir, obviously when the accounts are done this £50,000 will have to be worked out where it should go. Preferably it might have been put against the two previous years workings but the agreeable surprise is that on its own workings this year the Sand Quarry has made a very considerable profit.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to move that: "This House resolves that the Imports and Exports (Amendment of Schedule) Order, 1983 reducing the rates of duty on manufactured cigarettes to 274 pence per kilo and the additional duty per 1000 cigarettes to £6.16 be approved". Sir, as Hon Members will be aware whilst it is necessary to seek the prior approval of the House to increase customs duties, it is possible to reduce them, and come to the House at the next subsequent meeting with an Order resolving that that reduction be approved. Since mid-December last year there has been a series of meetings with representatives of the tobacco trade on the economic effects of the partial opening of the frontier. There has also been a meeting between the Chamber of Commerce and the Minister for Economic Development and Trade and at that meeting with the Minister the Chamber of Commerce stated that a general reduction in import duties would not be viable under present conditions. However, they were unanimous in suggesting a reduction of the duty paid on cigarettes since the competitive price in this commodity would restore levels of domestic purchase which have dropped dramatically by some 20% and the trade were of the view that this could go even further and the fall could be 30%. During January and early February, discussions were held with tobacco importers on the level of the proposed reduction in duty on cigarettes and in the trade cash margins. In those discussions, whilst the trade were prepared to accept a reduction in their cash margins, they said that they were unable to match in percentage terms the drop in duty which the Government was proposing. A reduction in sales had it reached 30% would have put at risk some £300,000 of revenue, basically we get about £900,000 a year from the duty on tobacco. Reducing the duty by stimulating demand and making cigarettes attractive could stimulate demand and hold reduction in sales to 20% or to a lower figure. A loss of sales of the order of 20% together with the reduction which is now before the House in import duty, could lead to a loss in revenue of £400,000 in a full year. If the sales were held at the level prior to the partial lifting of restrictions, that was 60 million cigarettes a year, the loss would have been of the order of £350,000. So, Sir, in fact, there were no good fiscal grounds for reducing the duty on cigarettes. However, the Government decided to reduce the duty by the amounts suggested by the trade in order to give encouragement generally by demonstrating that its policy was not motivated solely by revenue considerations, to restore levels of domestic purchases and also to test market elasticity to changes in price following the reduction in import duties. I must underline, Sir, that cigarettes, like drink, are a commodity where because the duty is specific and substantial a reduction in that duty can have a marked effect on the price of the commodity. This is unlike commodities where the duty is ad valorem, say, 10%, 12%, 15%, on CIF price and where a reduction in duty would not necessarily have a marked effect on the price. The reduction on this occasion in duty was 37.86% and it has been possible for the trade to reduce the price of a packet of 20 cigarettes from, I think it was going

to go up to 63p and it has dropped down to 50p in most cases, in some slightly below, in one or two cases of expensive brands slightly more and I think that it will be very interesting for us to see what the effect on the market is of this change in the customs duty. It will take some time for the results to work through. The immediate effect obviously will be that the persons who are holding back from drawing cigarettes from the bonded stores because of the anticipated change in the customs tariff have rushed in, bought and I am told by the Collector of Customs that over the past week there has been quite heavy withdrawals, this is to be expected. It does not necessarily mean that the increase will be carried through, it is a once for all, but we shall monitor very carefully the situation to see what the effect is over the next two to three months. Mr Speaker, Sir, I commend the motion to the House.

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

HON P J ISOLA:

Mr Speaker, there have been a number of questions in the House in relation to import duty and I think this motion provides an opportunity for the Opposition to put its views in a more coherent manner on the issue of reduction of import duties. Perhaps it is ironical, I suppose, that the only item on which the Government is going to reduce import duties is tobacco which will make the commodity which another department of Government is advising people not to smoke as being hazardous to health, that much cheaper for people to buy and will not only restore domestic demand but may in fact increase it and whether that is desirable or not I do not know. But certainly as far as we are concerned we have advocated a general reduction in import duties and we have made statements to this effect. There has been some response to that from the Government side, I detected in answers to questions to the effect that traders must be prepared to cut their margins of profit before the Government considers any other reductions. That seems to me to be a very narrow view to take of the situation Gibraltar is now faced with and we think that there is a need for a general reduction of import duties to stimulate consumer demand and to prepare Gibraltar for the competitiveness that is required if we are going to survive once the frontier opens. Mr Speaker, I believe that the trade in Gibraltar has to adapt itself to the changing circumstances as they exist in Gibraltar. With the frontier closed consumer demand in Gibraltar was limited to the number of people here. We have heard these arguments already, of course, of high wages, high costs, high municipal charges, high this and high that, and that in itself resulted in high prices and it is silly for people to talk of the difference in price between Gibraltar and La Linea because you are just not comparing like with like. There there is a low standard of living, there are low wages, a lot of

unemployment and so forth, the costs are much lower. But I think one has to take a broad view of the situation where the private sector is concerned in the new changed situation and I believe that the Government must take the lead and initiate a policy of competitiveness, initiate a policy that will help trade to adapt itself and try and increase consumer demand within Gibraltar. A lot of things have been said, Mr Speaker, about profits that have been made by traders and strangely enough the areas in which these allegations have been made are precisely the areas where a system of price control operates. Strangely enough an area in which the Consumer Department set up to protect the consumer has the largest say and it is in these areas that allegations have been made of profiteering and so forth. I only say that by way of comment. I don't like the approach, although I understand it, of the Financial and Development Secretary of saying there are no good fiscal grounds for doing this, that and the other. I can understand the Financial Secretary taking that view but we feel, Mr Speaker, in the situation that Gibraltar finds itself today, which is a dangerous one, and it is dangerous whether the frontier stays as it is at the moment or whether it opens fully, it is a dangerous one, we feel that there must be initiative, somebody has to get things going, someone has to take the initiative. Don't reduce import duties on tobacco because the tobacco merchants have been clever enough to badger the Government and go and seen them and then it is reduced, but reduce import duties as a matter of policy, as an act of faith, if you would like to call it that, in the competitiveness of trade in Gibraltar. Mr Speaker, in this present manner of opening of the frontier I can think of a number of items the duty on which, I would have thought could usefully be reduced, items that you can put in your pocket or put on or whatever. I am treading on dangerous ground, Mr Speaker, but let us be realistic, there are a number of items other than tobacco that you can put in your pocket and I think Government should take some risk in this matter on its revenues. I think the Government should take some lead in encouraging the trade to reduce prices by themselves reducing import duties. As my Honourable and Gallant Friend Major Peliza said, if the import duties are reduced the prices go down by that amount plus even a little more without traders cutting their margins of profit, but one would have thought that traders would follow a lead in the cut of import duties and prepare themselves for the day when they have to be more competitive. This is a new ball game we are now playing Mr Speaker, it is a new ball game; an open frontier, or a partial open frontier, it is a fact, I think it is there to stay, the probability is that the frontier will open fully, it appears from the number of people who go across the border, it appears it is a popular situation with a great number of people so popular that even the directors of the Chamber of Commerce couldn't take the traumatic step forward suggested to them by one of their members that they should refrain from going to Spain until there is a full opening of the

frontier. It is a very popular thing and we have to live with that. This may, or may not be good for Gibraltar. At the moment it appears to be taking £150,000 of good hard earned money in Gibraltar out of Gibraltar. That is the position, one has one's own personal thoughts about that situation but we have to meet it. We have to play the new ball game and, Mr Speaker, the economy that has been geared to an island economy has now got to cease to be that or not has got to, is ceasing to be that and therefore I think a lead must come from the Government, there must be, Mr Speaker, a reduction of import duties. I have already heard people say, I hope it is not true, that for example it is cheaper to buy a car in Spain now than in Gibraltar so why not buy your car in Spain and leave it across the way. Some cars are paying 45% import duty, all geared at a time when you had a captive market within Gibraltar. And now the Government has to make the economy competitive and that requires action from them, not just in the range of import duties but in other areas. Cost effectiveness has to be, in our view, the watchword of the Government. But on import duties, Mr Speaker, we think the Government is going too slow with just a bit on tobacco. I know a large amount is involved of revenue, £300,000 but when you look at the total revenue in the Estimates and you look at the Estimated Consolidated Fund Balance of the 31st of March, 1983, which is expected to stand - I don't know whether that is still the position - but which is expected to stand at over £10m, the Government can afford or should afford to use some of that reserve, not all, but some of that reserve, to try and create initiative, to try and instill the competitive spirit back into the Gibraltar economy, back into the Gibraltar trade. I think the fairest way of doing it, my own view but others may not agree with me, is by a cut in import duties across the board so that trade generally is told: "We are supporting you, get more competitive." And if the Government feels they cannot do it across the board then do it on a whole lot of other items, a lot of them come to my mind which are small, a lot of items which can be sold that people would buy if they were made more competitive. I know that despite that traders, bars, restaurants still have to contend with the high municipal charges, and they are high municipal charges, Mr Speaker, have no doubt about it, they are very, very high and I would like to know why they are but they are very high. They have to contend with high municipal charges, it is said high rents, in some cases very, very high, in others not so high, high rents high municipal charges and parity salaries about which no one complains, well not no one complains, I think people do but I think that is kept quiet. Those are the facts of life and if trade is going to be more competitive then I think there has to be reduction in prices and the lead has to come from the Government, the Government has to make the act of faith. The Government has to tell traders: "We are prepared to cut import duties, are you prepared to cut prices?" But don't wait until a particular pressure

group comes on the Government and asks them to drop them on a particular item. Rather like, Mr Speaker, at the frontier that now you can only bring one loaf of bread because it affected a particular sector of industry, a particular part of Gibraltar, it affected them and they seem to have powerful voices in high places, I should say, this particular sector. I don't know whether this is due to my Honourable Friend Mr Bossano's influence in the area or whether it is due to others in that industry now who have the ears of the right people. I don't know why it was but bread was stopped but what about other items Mr Speaker? Restrictions have been put on the frontier, in our view too few, but it is disjointed. We would like to see a policy from the Government on import duties. One of the highest cost factors is the import duties. That is within the Government's power to do something about and we think that an initiative should come from the Government in that respect and as my Friend said and I hope the Government is going to consider it, I think the Honourable and Gallant Major made a very sensible suggestion in the question that he asked and that was that import duty should be charged on the FOB price of goods and not on the landed cost which is the present position and which puts quite a lot on to the price of the goods in question. I think that is a good suggestion and I think these are the sort of suggestions that should be applied and should be considered at great speed because, Mr Speaker, the economy is suffering, the economy is continuing to suffer seriously and our own weakness, the weakness in Gibraltar, is going to be exposed sooner than is good for us. Therefore we urge the Government that they should take the initiative and take steps to recreate, to enkindle a greater spirit of enterprise and competitiveness in the private sector of Gibraltar and not indulge in a slanging match which is really what has been happening recently, if I may say so. I know that at the recent Chamber of Commerce meeting hard things were said and I know a lot of people didn't like it. I have been surprised, quite frankly, when I read this morning a response from the silent service, the Civil Service, which is meant to take everything, quietly with great aplomb, with great patience and should be utterly unmoved. I notice, however, that they were moved into action by what happened in the Chamber of Commerce and have attacked rather strongly the trade in Gibraltar and the private sector in Gibraltar, Mr Speaker, and that is nothing more and nothing less than the warnings that we have been giving from this side of the House before the frontier opened when we have been seeing statistics, that we are creating in Gibraltar two nations, the private sector and the public sector, two nations have been created in Gibraltar where the disparity in earnings is becoming clearer and clearer. That was a digression, Mr Speaker, but there is a need to get the private sector going, to help it is not the right word because it is the whole of Gibraltar we want to help, we want to instil greater competition, we want to get prices down, and have no doubt about it, the Government is in a

position to do something about that, to do something constructive and to take the initiative in it and not just wait to be pushed and pushed and pushed to one item or another item. Of course we will support this motion because it involves a reduction although possibly a reduction in the wrong thing, as I have said. The Minister for Health must have fought tooth and nail against the reduction of import duties in tobacco, I am sure there was nearly a split in the Government as the result of the reduction on tobacco because of the effect it was going to have on the health of the population here and elsewhere but I think that the Government should take the initiative, Mr Speaker, and do something about getting the private sector more competitive and I would accordingly ask the Financial & Development Secretary to bring another resolution like this one, having done it in the meantime between now and the next meeting of the House, in which he either reduces duties along the line or streamlines them to a more simple way than it is at the moment or brings down other items that are dutiable goods on which the trade itself might well benefit even from the present manner of opening of the frontier by a reduction of import duties. Thank you Mr Speaker.

HON J BOSSANO:

We seem, in fact, Mr Speaker, to be in the middle of a debate on the policy that one should adopt to deal with the open frontier on the terms on which it is open, if one goes by the contribution of the Honourable and Learned Member.

MR SPEAKER

To the extent that the reduction in duty has been motivated by that particular factor I think one has to be slightly liberal on this.

HON J BOSSANO:

Well, one doesn't know why it has been motivated. If one reads between the lines of what the Honourable Financial and Development Secretary had to say on the subject, it would appear to me to be little more than a gesture towards the trading community to demonstrate that the Government is not totally unsympathetic to their demands. If it is more than that no doubt somebody else will say so, but that is all that one could gather from what the Financial and Development Secretary says. I can't agree with the approach of the Honourable Member because I don't think he spells out as a matter of policy, I accept that it is not his responsibility, really, because the Leader of the Opposition, let us face it, is here more I would say, as I am, to react to the policy of the Government that has got the responsibility of governing rather than to tell them how to govern from this side of the House. But in

fact it seems to me that to simply say that the reduction of import duty is going to create a competitive element is enunciating an economic doctrine that I have never come across before unless one goes on to spell how this competitive element is produced by a reduction in duty by demonstrating that the differential in prices between here and Spain can be accounted for because of the differences in duties that we have and they have. I think when we had the motion in the last House dealing with the frontier opening, I spelt out at one stage what I saw was the impact affecting three different spheres of our society, the consumer, the producer and the Government and I said the consumer would benefit, the producer will lose because he would lose his customers, and the Government may be affected or may not be affected depending on whether the duty paid by the consumer on the goods he brings from the new source substitute for the duties he was paying before. It seems to me that the broad analysis is in fact what is happening. The Government is taking the step of reducing the price of cigarettes and they are not even sure that the result of that is going to be to bring back lost sales, they are not even sure whether it is going to stop the decline in sales. I can tell the House that the people that I know who are buying their cigarettes across the road are paying 25p a packet from what they have told me and that therefore a 50p packet of cigarettes is not going to deter any of the people who buy 25p packets of cigarettes. I don't know whether the total elimination of duty would bring the price down to 25p but I think we have got to recognise one thing, that the nature of the threat that we face from competition is based on the fact that Spain today produces a whole range of goods whereas what we are selling in Gibraltar is all imported and it is with goods domestically produced that we are in a totally different situation and that the full opening of the frontier cannot be guaranteed to change that because presumably if somebody buys imported goods in Gibraltar which would not be Spanish produced goods but Third Country goods, the Spanish customs could legitimately defend that in order to protect Spanish fiscal policy, goods originating in Japan should not be introduced via Gibraltar and avoid paying Spanish duty. And if that line is taken I do not see how anybody can be competitive in a situation of selling something cheaper in Gibraltar which were bought after having paid duty in Gibraltar will then be subject to Spanish duty whereas if it is bought in Japan would only pay duty once. I think that is the seriousness of the problem that we face and I think it is a mistake to lead people to think that it can be overcome by something as straightforward as a cut in duty. Obviously, although I do not see the sense or the logic of the move, I am going to support it because I don't see any member of the House doing anything other than supporting anything that puts more money in people's pockets and that is what we are saying we are going to do, we are going to allow the consumer to keep £400,000 of his money so that he can decide whether he spends it in Gibraltar or

in La Linea. If, in fact, we want to get the Government to change policy on this matter, then can I put it to the Honourable and Learned Leader of the Opposition that we appear to be in a majority on this occasion and we can actually defeat the reduction in duty in this motion.

HON A J CANEPA:

Mr Speaker, it is not the first time that recently in the House one has heard the phrase of "two nations". I hope that it should not be applied to, it does not have to be applied to any disparity in payment of income tax or if it has to be that it is only to the extent that earnings are higher in the public sector than in the private and that is why people in the public sector pay more income tax than in the private and that there is no other reason for it. I don't know what really the Honourable the Leader of the Opposition expects the Gibraltar Government Clerical Association to do when year after year civil servants have been at the receiving end of the annual bleat from the Chamber of Commerce. What has happened on this occasion is, of course, that not only has the Chamber gone too far but their loss of credibility, the loss of credibility of the Chamber, generally among the public is such that that added to the fact that they had gone too far, it was inevitable that civil servants should hit back in the way in which they have done. The Honourable the Leader of the Opposition very glibly asked that he would like to know why municipal charges are high. I would imagine that I have heard the reasons spelt out in this House ad nauseam. In so far as electricity is concerned the price of oil in the last six or seven years has gone up enormously, we have a small undertaking which therefore makes it more expensive to run, we wish to be independent in this basic undertaking and not plug in to the Spanish national grid, it is the price that we are paying for our independence therefore. Water: What does he expect, three very dry winters, distillation and the high price, oil again, importation thankfully of water from Morocco, a tax increase last April which put the price up of the imported water by 40%, well, how could it be cheap? I think whisky is cheaper than water in Gibraltar. Rents: Is he in any doubt that private sector rents are high? I would have imagined, having regard to the controversy last year at the time when the border was due to open and the representations which no doubt have been made to the Select Committee, I would have thought that there was no room for any doubt as to the fact that private sector rents are high and that many, or some, perhaps I should say not many, some of the more unscrupulous landlords saw the opportunity to make a killing last April and June and that has set the pace for rents in the private sector. The Government too has been at the receiving end in this respect. I don't know, Mr Speaker, about the Government taking the lead, I think the Government can take the lead as we have done now and take an initiative where duty is clearly a very large amount and a very large proportion of the price structure of the commodity but I cannot see that

the same argument applies in the present circumstances of a partial opening where duty is only 10% or 15% and profit margins in many cases are surely far higher than that. I would have far more respect for people who came to the Government and said: "Look, we are prepared to have a cut in our profit margins. We are prepared to reduce our profit margins by a third if the Government will reduce the duty by so much." But no, all that has happened other than in the case of cigarettes, is that there have been demands in some quarters, not in the Chamber as a whole, but in some quarters, for the Government to take an initiative to lower import duties. Why, so that prices could fall as dramatically as they have done in the case of fruit and vegetables? Is that what is going to happen so that the whole blame could be put on the Government? Ah, the Government has lowered the duty therefore we are able to lower our prices. Giving the impression that what the Government had done was the chief element in such a reduction. I am not sure, Mr Speaker, that the Government should be a party to that. The Honourable the Leader of the Opposition made some reference under price control, I think he was referring to fruit and vegetables. Yes, they have been the subject of price control but price control based on the invoices that were presented to the Consumer Protection Officer and I have my doubts about the validity of those invoices because I cannot believe that an invoice from suppliers in Morocco which shows a certain price for fruit and vegetables can be correct, can reflect the true picture, when we know that the price of the same fruit and vegetables in the Tangier market are half or a third. Somebody was being taken for a ride, the Government and the consumer have been taken for a ride and I don't mind saying so publicly.

HON P J ISOLA:

Can the Minister say what the Consumer Protection Department was doing? A department that was surely set up precisely to prevent that.

HON A J CANEPA:

The consumer protection was maintaining the price of fruit and vegetables at the same time for about five years - why? Because we knew that the price on the invoices did not reflect the true position. That is what we were doing, resisting any further increases. But what can you do about what goes on in the suppliers in another part of the world outside Gibraltar, what control do we have? And when one hears that there are firms, so-called reputable firms in Western Europe who are prepared to put a certain figure on an invoice then what do you expect from people in Morocco? That is the truth of the matter and I do not mind saying so because I can speak under the protection and the privilege which the House affords me. I think, Mr Speaker, that in a situation where there is a full opening of the frontier and reciprocity then we have

another matter altogether, I think the Government there can take an initiative and I don't mind telling the House that last April or just before last April and June, the Government was going to take action to reduce import duties on a wide range of items, not across the board and I will explain why in a moment we cannot do that across the board. On a very wide range of items we were going to have a very general decrease but what we are doing now with cigarettes is to test the market. If the fears and misgivings of the Financial and Development Secretary are wrong and if the wider political aspects which we have taken into consideration for making this move prove to be correct, yes, you could perhaps consider similar action on small items, pens, watches, lighters that sort of thing, but cars, no one is going to buy a car in Gibraltar and take it across. I don't think people can take television sets across, or videos, but it is an area in which there might be room for movement in the future, I don't know. But a general decrease across the board which is what the Honourable the Leader of the Opposition has asked for again here, which figures prominently in a statement which the Opposition made, I think it was on New Year's Day, that simply isn't on and to pretend that the Government can draw on reserves is not to understand the full position as to what the Government reserves are and I can explain that very quickly. We have got about £10m of reserves in the Consolidated Fund, £4m are owed to the Government so that is not available, £2m are earmarked as I said earlier today for the Rosia Dale and the extension of the Boys Comprehensive School project so we fall back on about £4m and I would submit, Mr Speaker, that in a position where the economic outlook at best is bleak, regardless of what the Chamber say that I have said, I say today here that it is bleak because I have said it publicly elsewhere, when we can anticipate further unemployment, higher unemployment in Gibraltar so that people once they have exhausted their 13 weeks of unemployment benefit will have to fall back on supplementary benefits which is a charge on recurrent expenditure, I honestly don't see how the Government can take a gamble on a general decrease in import duties under present circumstances. You can be adventurous from the Opposition benches because ultimately you know that it is not the Opposition that is going to have to implement the measure, it is the Government that will have to do so and it will be the Government that will be answerable. It is just not within the realm of practical politics and therefore the message that has got to get out is that we have got to press the British Government very hard to ensure that there is a full opening of the border with full reciprocity, with full movement of goods, because if that doesn't come off then rather more drastic steps may be necessary which are going to be extremely unpopular because I agree with the Honourable the Leader of the Opposition that people going over in their thousands they now have wider areas in which to move, the kind of leisure activities which people have been deprived of for many years and to deprive people of that in any way, not to allow people to bring back a

modicum of goods, is extremely unpopular. Already I think the Spanish Government have to take some steps to control the export of larger articles from Spain into Gibraltar, notably fridges which some people were carting over, settees and so forth. That was stopped and I won't say why, that was stopped and more drastic steps may have to be contemplated. I would hope that it wouldn't come to that and I would hope that with all the misgivings that the Honourable Mr Bossano may have about a full opening of the frontier in the context of the Lisbon Agreement, you know there would be an element of reciprocity because our economy may not be able to gear itself for 18 months or for two years to take advantage of the full opening of the border but the fact is that our economy under the present circumstances could be very slowly bled and that I think we cannot afford to contemplate. But this is as far, I think, the Government can reasonably contemplate in the present circumstances. If there is an early opening of the border, no doubt in the context of the budget and so on the Government will be giving very serious consideration to moving over a wider field. For the moment there are fears, I have had representations from motor traders about the need for Government to lower duty on motor cars and spares and so on, people are afraid that cars are going to be bought in Spain. At the moment I think that particular field is under control, it is only a handful, a few, that are doing this but with a full frontier opening that is another matter. People would then be able to go, perhaps buy a car in Spain and bring it into Gibraltar and we will have to look at the matter again. Let me say one thing Mr Speaker, the Government is aware of the problem areas. We are in constant touch, we do know what is going on but to pretend that corrective action can be taken over a wide range of economic activity in Gibraltar is I would suggest, under the present circumstances, living in a fool's paradise.

HON MAJOR R J FELIZA

Mr Speaker, there were two things that I was very sorry to hear the Minister, who is after all responsible for trade, say. One was the lack of respect he seems to have for the traders for whom he is responsible. He is quoting in most general terms as if every trader in Gibraltar was you might say falsifying the invoices given by their suppliers.

HON A J CANEPA:

I am becoming increasingly loath to get up and speak before the Honourable Major Feliza because he then twists my words but because the Chief Minister is not here and because I am the Minister for Trade, I thought that I should get up before him otherwise I was going to allow him to speak first. That I should get up before him and make a response from the Government side to what the Honourable the Leader of the Opposition had said and to what the Honourable Mr

Bossano had said otherwise all that we would have had from the Government benches would have been a prepared introductory speech of the Honourable the Financial and Development Secretary. Reading Hansard the other day I noticed that on the 8th December he did precisely that, he misconstrued remarks that I made about the media and he is doing precisely the same thing today, I was talking of invoices in a particular context, fruit and vegetables.

MR SPEAKER:

What the Minister did say was that if reputable firms outside Gibraltar were prepared to give higher invoices one could not be surprised that it was being done in Morocco.

HON MAJOR R J PELIZA:

Mr Speaker, what does it mean "if reputable firms are prepared to do this what do you expect from Morocco."

MR SPEAKER:

Will you please sit down. You have again misunderstood what has been said. What the Honourable Minister has referred to are reputable firms outside Gibraltar, and you are now interpreting that to mean that he has spoken in a derogatory manner about businessmen in Gibraltar. I think I have cleared the matter.

HON MAJOR R J PELIZA:

I am glad you have made the point because I am absolutely right. Mr Speaker, you have confirmed what I gather from what he has said.

MR SPEAKER:

With due respect, I have not confirmed what you have said, whatever else you may think.

HON MAJOR R J PELIZA:

Well let me explain, Mr Speaker, that the only way of interpreting that is that there are reputable firms who are supplying goods to Gibraltar. You say no, well, it means a reputable firm in Western Europe who supply that who to? What is he talking about, to Ireland, to Hong Kong, we are talking about Gibraltar.

MR SPEAKER:

Order, order. With due respect to the Honourable and Gallant Major Peliza that, in my opinion and I must express it, does not warrant you to say that what the Honourable Minister has said is that reputable firms in Gibraltar are

lending themselves to do that. What the Minister has said is that irrespective of what happens in Gibraltar if reputable firms in Western Europe do it, you must not blame Gibraltar because they do so.

HON MAJOR R J PELIZA:

So what he was saying is that reputable firms here do not do it. Well, it is a very funny way of saying it.

HON A J CANEPA:

It is not what I am saying, it is what I said. Now if he wants to take that one step further and put whatever interpretation he wants to then that is another matter that the Honourable Member has to answer for but I can speak and I can repeat what I said and Hansard will prove that, I am very careful with my words, Mr Speaker.

HON MAJOR R J PELIZA:

Anyway, that is the interpretation I got and that is the impression he certainly gave me. And everything he said about the Chamber of Commerce before that, Mr Speaker, I do not think that there is any love lost between the Minister and trade in Gibraltar because however wrong the Chamber of Commerce may have been in certain of its statements, I certainly as Minister for Trade would have been certainly in this very serious situation of Gibraltar where I think we shall have to depend considerably on the private sector in due course particularly if there is two way traffic with the frontier, I would have thought I would not have antagonised them. I am not going to give way, Mr Speaker, I am entitled to express a view and that is my view. I thought he was antagonising the Chamber of Commerce in the way that he spoke about it earlier on. I will not give way, I am sorry. You had your say and I listened now whether you like or not what I am saying I am afraid that you can either listen or shut your ears but I am entitled to say what I am saying. This is my view and this is the way that I interpreted the way that he spoke. That is one side, Mr Speaker. The other side for which I am also very sorry, is the lack of initiative and boldness on the part of the Government at this stage where he says that the situation is very bleak indeed. I must say that was not the impression given in the communique that was issued by the Government, I forget the date now, in which it said that there was no reason to be alarmed about the situation or words to that effect. I haven't got the communique here but that is the general impression given by the communique, that everything was going fine. Well, that's not, Mr Speaker, what he is saying here today and in fact that is the impression that was given to the Chamber of Commerce because that is what they said there at that meeting. I don't think that the Chamber of Commerce was in any way trying to get at the Minister.

MR SPEAKER:

Let us not digress from the question before the House.

HON MAJOR R J PELIZA:

Mr Speaker, I am not going to press the point. Mr Speaker, we have it seems \$4m in reserve and we have a drain of about £7.5m a year. If £150,000 are going over a week that is about £7.5m a year. £7.5m, Mr Speaker, when you apply the multiplier to that is a hell of a lot more. That is the money, Mr Speaker, some of it is spent in buying purchases and some of it is finding its way back to Gibraltar, either through the frontier or now that the frontier is becoming apparently a little stricter, on the other side of the frontier, the Police Post is becoming a little stricter themselves, is coming over by sea but it is finding its way here and not only part of that is finding its way here in the form of goods, but they are also being serviced here, they supply the goods and they service the goods here in Gibraltar. I don't know whether the people who service it count as employees in Gibraltar, I don't think they do, but I suppose there is no way at this stage of controlling that. I would suggest to the Government that they should look into that very quickly because it is not doing any good either to business or to employment in Gibraltar. I believe it is very difficult to stop it. And therefore that is another important thing. Out of the £7.5m that are going out there is no doubt that a lot of that money is money that would have been spent in Gibraltar. The other might be savings and that perhaps is not so seriously affecting our economy as it would have been spent in any case outside Gibraltar. But part of it would have been spent in Gibraltar and that undoubtedly will cause loss of trade and services in Gibraltar which in turn will cause unemployment and before it causes unemployment it might even cause a lowering in the salaries and wages of the people in the private sector. I think this is what my honourable friend here who said about the two nations. If, for instance, the civil service will be able to survive its present size and income, it is sure for certain, I have no doubt in my mind and I think the Minister himself knows very well, the private sector will not be able to survive in its present size and income. I have no doubts that that will be so, and already I understand firms are beginning to shed labour. And this will continue very quickly and very seriously for the whole economy because this will have a secondary effect on the economy and eventually will affect even the Government itself as I think the Minister very rightly said, it will affect its funds very quickly. Mr Speaker, the situation in my view has come to stay. I do not see the Spaniards suddenly turning round and saying: "Poor Gibraltarians, let us help them, let us see if we can ensure that they, too, get some money going back.

MR SPEAKER:

With due respect, we are debating the question of reduction of import duties to help the economy. We must not expand the debate to the whole economic situation of Gibraltar. Insofar as it affects, of course, the reduction of import duties, fair enough.

HON MAJOR R J PELIZA:

I was trying to make the case, Mr Speaker, that in my view the situation has come to stay and that even if the frontier opens fully as they say, it will be part of the policy of the Spanish Government to try and continue the situation where more money leaves Gibraltar than comes into Gibraltar and there are many ways in which they can do it and, Mr Speaker, I don't want to exceed the latitude that you have so kindly allowed in this debate. So, Mr Speaker, the situation is here to stay and I think the Government knows that the situation has come here to stay. Isn't it time now to really take action, drastic action, as they will have to take sooner or later? Isn't it better to take it sooner, at least save some of that \$4m reserve because if no action is taken it will completely go. I would have thought to try - not gamble - the word is not gamble, to try and make use of that reserve to see if it is possible to contain as much money as possible within Gibraltar of the £7.5m that go away. If we bring down duty as my Honourable Friend has suggested, immediately the prices will come down. The market force will bring the margins of the local trader willy nilly. He hasn't got to make a promise that he is going to do it, he will be forced to do it by the market forces themselves but it will help if the duty is brought down and it will encourage the locals to spend the money here, to buy things here when he sees that he has more or less got what he considers now to be a bargain rather than go across the border and spend money on other items. Perhaps if he had the choice between what he can see on the other side for a certain price and he can see here for a more reasonable price, he would rather go for the local rather than to the other side. And therefore, Mr Speaker, this is what I think my friend meant by that. Of course, there are I think he very rightly said, small items which individual visitors coming to Gibraltar will take with them. One that comes to mind immediately is jewellery. Mr Speaker, would it not be a good idea to bring down the duty on jewellery? I cannot see any gamble on that at all but I can see many people particularly abroad who perhaps want to change currency for gold because it is a more stable thing to have these days, really making the best of that and this, in my view, could bring a lot of money into Gibraltar. I have mentioned that but there are others which I am sure the Government might be in a position to know better than I do. I think if we move fast on that we might gain something. The other thing that my friend referred to about the two nations is very important. I can see how readily the

Government says you must bring down the margins in the private sector but have they thought of they themselves bringing down the margins? This is very important, too, because if they bring the margins down they will help the private sector to bring the margins down too. And if there is a special effort in a crisis as we are going through now, employees in every quarter in Gibraltar understand the difficulties and will be prepared to make that special effort. I think the Government may find that by instilling enthusiasm into them, by giving them an objective, it might be possible to increase productivity and therefore in turn reduce the cost of some of the Government services and in turn that will bring the prices down and, hopefully, it will make Gibraltar more competitive all round, Mr Speaker, this is what I think my Friend meant. To do that we need a lot of leadership from the Government and that leadership has not been forthcoming. I think the first thing the Government must do is to tell the people of Gibraltar of the consequences to trade in Gibraltar, Mr Speaker. The other one, Mr Speaker, having done that, is to themselves show an example by, as I said before, making a great effort to reduce the costs of their services.

HON M K FEATHERSTONE:

Sir, before I start on the general remarks on the debate I would like to clear up one point. The Honourable Mr Canepa, since he took over the responsibility for Trade, has been at great pains to build up and has built up a very cordial relationship with the Chamber of Commerce over the last two years or so and it is rather a pity that, firstly, the President of the Chamber of Commerce seemed to wish to disrupt this cordial relationship in his remarks just recently.

MR SPEAKER:

I must call you to order. We are not going to have anything more on that subject.

HON M K FEATHERSTONE:

Well, it was said on that side and I felt it has to be cleared up. The Honourable Major Peliza did not retract his remarks so I felt it has to be cleared quite properly. He didn't give way. Now, Sir, on the whole question of the reduction of import duties it is basically not the time today to decide to do this. We have had three run-ups to the removal of the Lisbon Agreement and three complete failures. We are now promised once again removal of the Lisbon Agreement in the Spring. Well, the Spring might be late March, it might be early June. That is, if it comes off. We hope with this new Government in Spain that they will keep their word but if it were to be the later period in the Spring, what good would a great reduction in duties do today? Supposing we reduce duties by 33% on the lower mark-up of traders, and by the lower mark-up I am putting a 50% mark-up over duty paid cost and many traders work on a higher mark-up than that, it would only mean a 4.2% reduction

in the actual price to the consumer assuming the trader made no change in his mark-up. To make a good impact the trader would have to cut down 15% - 20%. Wouldn't the first thing be for the traders to come to the Ministers and say: "Look, we feel there is a crisis, we feel that the situation can be ameliorated by a reduction of duty" and yet one thing must be kept in mind, they themselves have said in their memoirs of their own, that they recognise that a reduction in duties in general would not be viable under the present Spanish restrictions so they themselves are saying it is not the time at the moment to make this reduction across the board. But if they were to come to the Minister and say: "On the assumption that we have an open Lisbon Agreement, we are willing to make a reduction in our profit margins of X if you will reduce your duties to so and so", then Government has something to grapple with, something to go on. At the moment what would happen if Government reduced duties? Well, it would mean, basically, that items might be a little cheaper to the people in Gibraltar, not to the Spaniard coming in because he finds all the goods here expensive anyway. Unless there are vast reductions he is still going to be not so interested. There are certain items which today come in free of duty, food, chocolates, medical supplies. The Spaniard doesn't buy them, partly because he cannot take them back and partly because he finds that paying 22p for a bar of chocolate is very expensive. Of course, what happens with all the people who are spending the £175,000 a week over in Spain? Well, I do remember there was a little period in which there was a movement in Gibraltar that they didn't want the frontier open, they were going to build a brick wall across but when the frontier opened they found bricks were cheaper on the other side so they went over there to buy them. They are not spending their £175,000 on consumer goods to any great extent, that has been shown by the amount of duty coming in, we have only collected £11,000 worth of duty. If the duty is charged at 15% or 12% that only represents £110,000 worth of goods. The money is being spent on leisure and you are not going to change that pattern come what may. People will always, as they used to in the past, think of going somewhere else to have a meal, partly because there is a little excitement in going somewhere out of your own city, partly because it is also relatively cheaper. We have had the story which is always thrown across, that municipal charges are high. Well, there was an offer made to the Hotel Association I believe in which they were asked: "How much would you reduce your fees if all municipal charges were reduced?" and they said they wouldn't reduce at all, they would just increase their profitability. I wonder if that is the attitude that the trade might take? But what about these high municipal charges? I think my colleague has dealt with electricity and water but rates have not been altered, to my knowledge, for 10-15 years. Of course rates have gone up because the valuation has gone up.

HON P J ISOLA:

If the Honourable Member will give way. There are two ways of putting rates up, one is by putting the poundage up which people shout about, and the other one is by getting the Valuation Officer to revalue everything up and he does that regularly and to a very sharp extent as people find to their cost.

HON M K FEATHERSTONE:

The poundage has not altered to my knowledge for 12 to 15 years. The valuation has increased because people are paying higher rents, so much so, that 5 years ago there used to be an indecent struggle if a shop became vacant to pay almost any rent to obtain it knowing, even at the high and inflated rent they would have to pay, the rates on that shop would go up very considerably. So if there has been a high increase in the municipal charge of rates, put the blame on the landlord not on the Government.

HON P J ISOLA:

Yes, but the Government is the biggest landlord and it revalues all its properties just as much as anybody else.

HON M K FEATHERSTONE:

I don't think the Government is very much of a landlord as trading establishments. One other little point that might be interesting. The quality of fruit and vegetables which are today imported still, I understand, leaves a certain amount to be desired compared with fruit and vegetables obtainable in Spain. Therefore you are going to obviously have the system under which the discerning purchaser is going to go to the cheaper market. Now, Sir, as has been said, certain of the items introduced from Spain especially what was apparently being introduced before, refrigerators etc do create a measure of concern to Government not basically because they are items coming from another area, because refrigerators are imported irrespective of where they come from, but where Government has a certain measure of worry is do these electrical domestic articles conform with the basic EEC standards, do they conform with the necessary provision of a 240 volts supply and can they basically create a certain measure of danger to the consumer because they are rated at a lower voltage, I think they are rated at 220 volts and they are being used almost to the limit of their capacity and this does give Government a certain measure of worry and it may be necessary at some time to make some restrictions on their importation. However, Sir, as I have said before and as has been said very clearly, now is not the time to reduce duties. The time would be when the Lisbon Agreement comes into full operation, Government can move very quickly they can reduce duties without coming to this House, they

can monitor the situation almost from day to day, they can cut duties on those articles which are obviously in demand, keep duties on the others. The Consolidated Fund can, of course, bear some losses on this but one thing that is obviously an idea that is worthy of comment, should one run down one's Consolidated Fund in the hope of protecting one's trade or should one run down one's Consolidated Fund by providing some of the social measures such as housing that are so urgently needed? Let us see how the situation develops with the reduction of cigarettes, let us see if it does prove to be a loss leader, let us see if the Lisbon Agreement comes into proper operation and I am sure the House can take it quite definitely that Government will move very rapidly and very effectively when the time comes.

MR SPEAKER:

Does the Honourable Financial and Development Secretary wish to reply?

HON FINANCIAL & DEVELOPMENT SECRETARY

Thank you Mr Speaker, I just want to make two points. I am quite sure that the Honourable and Learned Leader of the Opposition didn't mean to, as it were, knock the tobacco trade or the bread trade in saying that it was they who came along and bashed our ears and we therefore gave way. This is not the case at all. It was the Chamber of Commerce who came and made a very strong case for cigarettes in subsequent discussions that we negotiated what the price change would be but the move came from the Chamber of Commerce and not solely from the tobacco barons. On the bread side, here we are dealing with a staple industry. If it were to run down seriously and then supplies were to be cut off, Gibraltar could find itself in great difficulties. That is the reason why the Government moved on that front. With those two points, Sir, I commend the motion to the House.

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

The House recessed at 7.30 pm.

WEDNESDAY THE 23RD FEBRUARY, 1985

The House resumed at 10.50 am.

HON CHIEF MINISTER:

Mr Speaker, I have the honour to move the motion standing in my name which reads as follows: "That this House, whilst still opposed to the British Government's decision to close the Naval Dockyard - (1) considers that it is in the interest of the Western Alliance of the free world generally, and of

Gibraltar itself, that the British Naval Base at Gibraltar should be maintained; (2) endorses the view of the Gibraltar Government that in the consideration of the proposals for a commercially-operated ship-repair yard, full regard should be had to the essential requirements of the Naval Base; and (3) trusts that, conversely, the Ministry of Defence and indeed the British Government as a whole, will have full regard - (a) in the consideration of such proposals to the needs of such a yard should it eventually be agreed by all concerned that a commercial operation is feasible and viable, and (b) to such other needs as may be put forward to the Ministry by the Gibraltar Government in its efforts to diversify and strengthen the economy generally in order to offset the effects of the Dockyard closure". Mr Speaker, this arises out of a journalistic battle, so to speak, between the Gibraltar Socialist Labour Party, so ably and exclusively represented in this House, and the Government. On the 20th of January of this year, the Gibraltar Socialist Labour Party issued a Press Release on some issues relating to the Dockyard and the Naval Base. On the following day I issued a statement on my own behalf and on behalf of my ministerial colleagues, commenting on this issue. On the 24th of January, the GSLP issues another Press Release in which, inter alia, they challenged me to a television debate with the Party Leader, Mr Joe Bossano. On that same day, I replied that the matter was too serious and complicated to be properly debated in a television interview, the time for which was necessarily limited, and that the proper forum for a debate was this House. It is in pursuance of that statement and because I feel it is necessary that the important issues raised should be properly ventilated and discussed and that each party represented in this House should clearly state its own position on these matters, that I have proposed this motion. In its Press Release of the 20th of January the GSLP stated that it rejected entirely the basis of compatibility with continuing naval needs as the criteria of the worth of any proposals being considered for an alternative to the Naval Dockyard and that, in my Party's view, the Gibraltar Government should not have accepted the inclusion of this factor by the consultants. I should explain here, Mr Speaker, as Members know, that the whole exercise regarding the defence review was that the ship repair part of the yard had become impracticable under the new defence arrangements, and I am not asserting these things, I am only quoting what the British Government said, but that the Naval Base would continue in Gibraltar despite that and, of course, since both were all part of one, dividing it required some re-arrangement. The release went on to say that the decisions that need to be taken to determine how Gibraltar's economic future is to be secured, must be taken exclusively from the standpoint of what is best for Gibraltar and not what is best for a Naval Base which, like the Dockyard, could be here today and gone tomorrow. Paragraphs (1) and (2) of my motion attempt, as concisely as possible, to reject, categorically and unreservedly, the views expressed by the GSLP. Gibraltar has a long and glorious military history of which we are all so proud. This may not be to the liking of that

pacifist minority which prefers others to defend it or indeed which might not believe in defence at all. But I am certain that the view is not shared by the great majority of the people of Gibraltar who are proud of their city's military traditions and of its contribution to the defence of freedom against totalitarianism. The most recent example of this was given by the workers in the Dockyard in support of the British Government's defence of the Falkland Islands and indeed by the very high per capita spontaneous financial contribution of the people of Gibraltar as a whole. Totalitarianism, in a different but no less ruthless form, still threatens the world and I think it is my Party's policy, which I believe is supported by the great majority of the people here, that Gibraltar should continue, as in the past, to play its part in the defence of freedom by giving its fullest support to Britain's armed forces and to the Western Alliance. Gibraltar's great strategic importance to NATO was recently emphasised by Admiral William Crowe, Commander-in-Chief of the United States Naval Forces in Europe. Perhaps, my Hon Friend will gather some comfort from the fact that he said that he wished the Naval Dockyard should be kept open. I will not quarrel with that part of Admiral Crowe's remarks, I hope they are heard in the right quarters. But be that as it may, he did say that and we also recognise that importance and we are fully committed while we remain in office and insofar as it lies within our power, to ensuring that the Gibraltar Government should support the continuation of the British Naval Base at Gibraltar and should have full regard to the essential requirements of the Base. I do not, Mr Speaker, accuse the Hon Member of pacifism. If he has that streak somewhere inside him, he has so far shown no evidence of it. What, then, is his Party's reason for rejecting, and I quote "the basis of compatibility with continuing naval needs"? It cannot I think be an ideological, socialist opposition to Western defence because the Hon Mr Bossano, like the rest of us, opposes the closure of the British Naval Dockyard. I would only ask here, in parenthesis, whether he would take a different view of a possible commercial Dockyard if we were to accept customers from the other side of the Iron Curtain. Unless the Hon Mr Bossano, in his reply, can give another reason for his own and his Party's rejection of "the basis of compatibility with continuing naval needs", I shall be forced to the conclusion that that rejection derives from a dog-in-the-manger or cut-off-your-nose-to-spite-your-face attitude which itself stems from a deep resentment against Britain for its decision to close the Gibraltar Dockyard from the knowledge that he is unable to prevent that closure and from his refusal to consider any alternative on its merits. I say that with some reservations because I hope the Hon Member will not think that I am misquoting him if I can attribute to him the fact that you cannot reject something until you know what it is. We do not know what it is that is being considered now, or rather we know the way it is going but we do not know what it is until the final analysis has been made. As I stated earlier, the GSLP Press Release states that, quote: "The Naval Base, like the Dockyard, could be here today and gone tomorrow". In my statement of the 21st January I asked

whether the GSLP was suggesting that because the Naval Base may go one day, and certainly there is no indication or suggestion whatsoever that this might happen, in fact, the opposite is the case because we know that part of the re-adjustment of the proposed commercialisation of the Dockyard means putting a considerable amount of money in re-adjusting the Naval Base so that they could hardly be thinking now of re-adjusting and retrenching into areas apart from the Dockyard or the Naval Base, if they were thinking of going tomorrow or the day after. It might as well go now and that its current essential requirements should not have our full support. I hope that when he replies Mr Bossano will confirm or deny that this is his Party's view and will also clearly say whether his Party shares my own Party policy on the question of supporting British and NATO defence requirements in Gibraltar. It is important that the electorate should know where the Hon Mr Bossano and his Party stand on this issue. Sir, I have dealt, so far, with what one might call the philosophy of my Party on the defence of the free world of which Gibraltar forms a part. That philosophy is in itself enough reason for our position. But there are two additional, more direct and perhaps more immediately material reasons for our policy. I stated these on the 21st of January and will repeat them now. First, Britain has the responsibility, quite apart from its wider NATO commitments, for the defence of Gibraltar as such. That responsibility cannot properly be discharged if people in Gibraltar themselves are going to impede it. Secondly, the Naval Base provides employment for 1,110 locally entered persons in Gibraltar. It has repeatedly been made clear that the Naval Base is to remain - the latest occasion being Mr Blaker's reply to a parliamentary question on the 21st February when he made a reiteration which has been so often made in Parliament on the 21st February - and it is surely the duty of every responsible political party to do nothing which would put any single one of those 1,110 jobs at risk. I hope, that in reply, Mr Bossano will also state clearly his own and his Party's policy on Britain's responsibility for the defence of Gibraltar and on the desirability of preserving the employment of these jobs. Sir, if one examines the circumstances in which the GSLP release was published, one is forced to speculate on the possible reason for its publication. It will be recalled that the release was triggered off by a statement made by the Consultants to the effect that the major reason for the rejection of the Blands proposals for an alternative to the Naval Dockyard was that the tourist-related elements of that alternative were incapable of amendment to make them compatible with the essential requirements of the Naval Base. The GSLP release stated and I quote: "The Party is totally opposed to the closure of the Naval Yard and is therefore not giving support to any alternative". Why then should the Party care about the reasons for the rejection or acceptance of any of the alternatives? One can only conclude that the Consultants' statement was seen as an opportunity to make the point that the GSLP is not concerned about meeting the essential requirements of the Base and wanted this to be known. The only possible other reason might be detected in

the last paragraph of the release which states, and I quote: "The decision that needs to be taken should determine how Gibraltar's economic future is to be secured must be taken exclusively from the standpoint of what is best for Gibraltar and not what is best for the Naval Base". In my statement of the 21st January I said that the GSLP had not stated what positive decision it would itself take to determine how Gibraltar's economic future is to be secured. The only response to that is that the statement in the GSLP Press Release of the 24th January to the effect, and I quote: "The GSLP stand by the statement that what is best for Gibraltar's economy cannot be determined by limiting the possibilities to what the MOD will allow" - and that is the end of the quotation. This lack of a positive and concrete approach is perhaps not surprising. The leader of the GSLP has consistently accused the Gibraltar Government of having no economic plan for Gibraltar. He almost gave way to the fact that we had a shape of economic plan at one stage recently, but only once. He has been equally consistent in failing to respond to numerous invitations to reveal his own economic plan. We are all anxious to see what his economic plan is for Gibraltar. He has been invited to produce his magic solution of an economy that would solve all our problems but he refuses to divulge it and I wonder whether he is doing the right thing to posterity if it were to be discovered many years after now, and I hope that he lives for 100 years at least, that he really had a plan that had he revealed it all the problems of Gibraltar would have been solved but it was this exclusivity of his knowledge to himself that had deprived Gibraltar of having a resurgence as a result of the closure of the Dockyard. The general principles that he says should determine Gibraltar's economic future are all very well but they are of little use if they are not demonstrated in practical plans and proposals. It is because the GSLP have not identified a specific economic requirement which is, or would be hampered by a Naval Base that one cannot accept that the reason for the release was an economic one. In an interview on BBC Today programme on the 31st March, Mr Bossano was quoted as saying: "What I am saying is that there is no way that NATO and the Americans can have Gibraltar for free, make use of it, have it as a base stocked with computers and electronic devices and mass unemployment. They cannot have the two things". Well, I might be prepared to agree to part of that but I do not think that it is consequential to say that one is necessarily exclusive of the other and I think his compatibility mentality or non-compatibility mentality, was exercising his mind when he made that statement. I cannot guess what he had in mind when he said this and I will not speculate further on the reasons for the publication of the GSLP Release. But what is important, now, Mr Speaker, is that the House, that the people of Gibraltar as a whole and in particular those employed by the Ministry of Defence in Gibraltar, generally, is that we should know the policy of the Hon Mr Bossano and the GSLP on the continuation of the Naval Base and indeed of other British defence interests in Gibraltar. It is my hope and that of my party and my colleagues that he and his party will

share the views I have expressed on behalf of my own party and that he will be able to vote in favour of the motion. In any event I hope that he will respond fully to my invitation to him to explain his party's policy clearly in this House. If at the same time he proposes to release his magic economic plan, then I think we shall be happier even still. If in making my own assessment of his policies on the evidence so far available to us I have in any way misjudged them or misunderstood them, I shall readily acknowledge this. Sir, I now wish to comment very briefly on paragraph (3) of my motion and that is the converse part "trusts that, conversely, the Ministry of Defence and indeed the British Government as a whole, will have full regard in the consideration of such proposals, to the needs of such a yard should it eventually be agreed by all concerned that a commercial operation would be feasible and viable, and to such other needs as may be put forward to the Ministry by the Gibraltar Government in its efforts to diversify and strengthen the economy generally in order to offset the effects of the Dockyard closure". I imagine that the views expressed in that paragraph will not prove controversial in this House. They do, however, present the other side of the coin of the Gibraltar Government's support for the essential requirements of the Naval Base and one which cannot be and is not being overlooked by the Gibraltar Government. The need for the British Government as a whole to have full regard to the Gibraltar Government's efforts to diversify and strengthen the economy in order to offset the effects of the Dockyard closure, is constantly in our minds as indeed I am sure it is in the minds of all right thinking people. I am sure that the British Government is equally conscious of that need. We will continue to press it in all relevant areas such as the release of land. In the more particular area of the consideration of proposals for a possible commercially-operated ship-repair yard, I am informed that in the consultations which have been and are being held, the Ministry of Defence are also conscious of the need to have full regard to the requirements of such a yard should agreement on it eventually be reached by all concerned, and that goodwill exists on the part of the Ministry. I would like to pause here a moment and say that in the last few weeks, perhaps a little more, two or three months, a marked change has been noted in the attitude of officials - because I think the political will has always been there - a marked change has been noted in the attitude of officials dealing with these matters, of being helpful. I will not put it any higher, but having regard to previous experience in other areas it is, I think, worthy of note. Perhaps it is as a result of all the letters of the Hon Member has been sending to all the Members of Parliament. I do not think he believes that. Indeed, it might be said that in the absence of such regard, the flexibility and the viability of a commercial operation could be put at risk. I can release the Hon Member from having any doubt about that and I can say that I know from personal authority, and I am not quoting anything improper, that the direction to be helpful to Gibraltar comes from the very top of the British Government, that is, the Prime Minister herself. In my statement of 21st January, I said and I quote: "that the essential

requirements of the Base should be safeguarded and that no unreasonable obstacle should be placed in the way". That is the end of what I said. I believe that the key lies in the two words 'essential' and 'unreasonable' and that this applies both to the discussions on a possible ship-repair yard and in the more general context of the Gibraltar Government's relationship with the Ministry of Defence. Difficulties begin when, on the one hand, it cannot be shown beyond question that a requirement is essential and, on the other hand, when the attitude of one side or the other cannot be regarded as reasonable. Mr Speaker, I have made no allusion or comment to the snide insinuations both in the release or in the press that supports the party of the Hon Mr Bossano to whether I act on my own or I act on behalf of the British Government. I think that certainly if one is to be guided by the record of support of the people of Gibraltar for defence of the rights of the people of Gibraltar, I think that is the best answer I can give to those unworthy accusations. I beg to move.

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

HON J BOSSANO:

Since I can only speak once I want to know whether I am answering simply the eight Members of the Government or the fourteen Members of the House. It seems to me that the Hon Member has to some extent assumed that his analysis in bringing the motion and his interpretation of it is shared by Members on this side, if it is then I will answer all fourteen now. If it isn't then I would like some indication.

HON CHIEF MINISTER:

I have said nothing of the kind to indicate that but I can well imagine having regard to the policy of the DFBG, that whilst they may not agree with the words that I have uttered I think that in terms of policy anybody who knows the political spectrum in Gibraltar would know that that is so, but that is a matter for other people.

HON P J ISOLA:

Let me assure my Hon Friend I am quite happy to speak. As the main thrust of the Chief Minister's speech seems to have been obviously at the Gibraltar Socialist Labour Party, which is a minority party on this side of the House, as you are very well aware, Mr Speaker, but as the main thrust seems to have been at him this is why I have stayed sitting down thinking decidedly that he would be itching to get up and reply to the Chief Minister at the main thrust but it appears that he also wishes to reply to me.

MR SPEAKER:

Perhaps Mr Bossano is awaiting your contribution to see whether your main thrust is levelled at him.

HON P J ISOLA:

He may wish to reply but I am sure my Hon Friend who assiduously, I think, follows all the Press Releases of the DPEG, and reads them through and through, will of course have read our own press release on this matter that was issued as recently as the 10th February, 1983, so it will be very fresh in his mind. But let me assure him that I have stayed sitting down because I thought he might wish on this occasion to have the privilege of replying to the Chief Minister first of all. But, anyway, I am quite happy to say what we think on it. Mr Speaker, as far as the motion is concerned, what I am going to do is move an amendment to it straightaway and then speak on the whole motion, as amended.

MR SPEAKER:

You want a quick vote on the amendment.

HON P J ISOLA:

I won't want a quick vote on the amendment, I will speak on the substance of the motion having pushed in the amendment at the beginning so then I can speak right through on the views of the Opposition.

MR SPEAKER:

And try to avoid duplication.

HON P J ISOLA:

This is what I am trying to do as well. The amendment that I am going to move to the motion is a fairly innocuous one, Mr Speaker, but rather important, I think, on the issue of the Naval Dockyard which is of such fundamental importance not only now but for the future of Gibraltar and of such fundamental importance, again, not only to the people who work in the Naval Dockyard who obviously are in the front line here, very much so, but to the whole of Gibraltar. The amendment I wish to move, Mr Speaker, is to add a new paragraph (4) to the motion and say: "considers that full consultation should take place between all the political parties represented in the House of Assembly before a final decision is made on the commercialisation of the Dockyard". Mr Speaker, I would like to deal with the motion paragraph by paragraph and make my comments. The first paragraph; "that it is in the interests of the Western Alliance, of the free world generally, and of

Gibraltar itself that the British Naval Base at Gibraltar should be maintained", I do not think anybody, any reasonable person in Gibraltar would quarrel with that first paragraph. I think that if anybody does I do not think he has got the interests of Gibraltar really at heart because it is in the interests of Gibraltar, it is in the interest of British Gibraltar, that the British presence in Gibraltar should be maintained to as large an extent as is possible and that is why, basically, I suppose most of us support the continuation of the Naval Dockyard in Gibraltar. But I think it is worth making this declaration in a motion of the House. It is worth making a declaration in a motion of the House because it is worth bringing to mind, Mr Speaker, the broader issues that affect Gibraltar, the broader spectrum of Gibraltar, and not merely talk of the parochial position of Gibraltar, of the internal politics of Gibraltar or anything else. Gibraltar's importance, Gibraltar's prosperity surely is dependent very greatly on its strategic position in the western world and its prosperity is dependent on that too. Why should Gibraltar, for example, have a much higher standard of living than La Linea or Algeciras, or the Campo Area and I think, basically, that is due to its strategic importance as a British Base in the free world and we certainly subscribe fully to those principles, we do not subscribe to pettiness or pettymindedness or people in Gibraltar or politicians in Gibraltar thinking they are bigger than the interests that command our situation here. An elected Member can only go so far. The people of Gibraltar are a mere 22,000 and they can only go so far, Mr Speaker, and that is why my party has again issued a press release which I do not think came out on Gibraltar Broadcasting Corporation last night, I think that the person who took it from this House must have left it in his pocket and not delivered it, in which we rejected entirely the statement made by the President of the Chamber of Commerce that the British Government should give Gibraltar some sort of independent status. We rejected it entirely on the grounds that it was neither politically or economically viable. Just because we command a lot of support inside Gibraltar it does not make us tin gods outside Gibraltar, it does not make us big white chiefs outside Gibraltar. People know the size of Gibraltar, people know the strength of Gibraltar, people know the economic base of Gibraltar. And this is why we rejected the seemingly illogical approach of the President of the Chamber of Commerce, who in one breath was saying: "Give us independent status", and in the next breath was wanting substantial aid from the British Government to keep the economy going, commitment to Gibraltar and so forth. How you can reconcile that with independence I do not know. And similarly, in the same bated breath, I would refer to my Hon Friend's public sayings and I think I am sure uttered in moments of illusion or in moments I do not know, possibly my Hon Friend was thinking of other things, talking of independence for Gibraltar and that the British must give all their land up, hand everything to Gibraltar and get out if they do not want the Dockyard, if they are not going to keep the Dockyard they had better get out of everything else. I

am sure that that was made in moments of passion and emotion because equally, Mr Speaker, that is thoroughly impractical because we have another country next door who would walk in the next day and take over - unless you had a British commitment to Gibraltar. And that is how we interpret paragraph (1) of the motion and why we support it fully. In paragraph (2) we now get into more different areas of interpretation. "Endorses the view of the Gibraltar Government that, in the consideration of the proposals for a commercially-operated ship-repair yard, full regard should be had to the essential requirements of the Naval Base". Well, Mr Speaker, we support fully the sentiment in that second paragraph and that is the importance of the Naval Base to Gibraltar. I know and everybody knows that in the changing world that we live in I am afraid there are no absolute guarantees in anything and at the end of the day you have to trust the guy you are dealing with. And if you don't, Mr Speaker, then I agree that you are in deep trouble and you must be worrying every day and you must spend a lot of sleepless nights. Basically, you have to decide whether the British Government will fulfil its pledge in spirit and in fact contained in the preamble to the Constitution and what it means. If you feel there is honour in British Governments or more honour, put it that way, in British Governments than in Spanish Governments or Soviet Governments or American Governments or German Governments or French Governments, if you feel that, then, Mr Speaker, you can sleep more restfully. I have a feeling that British Governments have consistently honoured their obligations by and large over the years and there is this commitment to Gibraltar. The Naval Base is, of course, as we know, part of a greater organisation. NATO is involved, Western Defence, the Free World is involved and, hopefully, as long as British Defence White Papers do not start cutting defence more and more and as long as British Defence Papers continue to agree that the Navy should be maintained and that they should make a contribution to NATO, given those circumstances, the Naval Base in Gibraltar should continue and would continue. But, certainly, I would be worried if a Socialist Government of the type of Mr Tatchell and the pacifists and anti-CND and all that, I won't say all that crowd, those people of that persuasion, got into power it may be that they would abolish the armed forces altogether, get rid of the Navy. And in that situation I suppose the Naval Base in Gibraltar would close and that would be a matter for concern. But I cannot see how we could expect in circumstances like that for the Naval Base to stay open, if the British Government of the day had decided that it did not need a Navy. That is the sort of imponderables we have got but, certainly, Mr Speaker, one thing is certain and again talking on broader issues. Governments, and it has been the story and the history of British interests and British policy since decolonisation got into really full swing in the 1960's and developed in the 1970's, is that the British Government or a British Naval Base, or a British Military Base does not stay where it is not wanted. This has been a sort of basic principle. It happened in Malta and in Cyprus it stayed because the Government there have agreed that it should stay and, therefore, we do in fact have some say, Mr Speaker, we do

in fact have some say, I think, as to whether the Naval Base stays in Gibraltar or other military installations, we have some say. I agree, in the case of Gibraltar because of our numbers it is not that big, but it is, I think that if the British Government or the British people detected an anti-British base in Gibraltar, detected a policy coming through of "British get out", I think that in time, I don't say they would do it straightaway, because of course there are Western interests etc, but I don't think we should assume that irresponsible statements and irresponsible policies that we may follow because they are popular within Gibraltar, I don't think we should assume, necessarily, that those policies would not one day, in fact, be carried out to the detriment of the real interest of the people of Gibraltar and the economic interests of Gibraltar. That is why we say we support the Naval Base fully but, Mr Speaker, having said that, I think that as a Government and as elected Members we are entitled to question and argue as to what the essential requirements of the Naval Base are. This is a matter I think that is important. And I think I would agree with the Hon Mr Bossano there, not fully, we cannot agree with what he said in his Press Release, we cannot agree with it fully, but I think that we would agree that we would expect the British Government, we would expect the Ministry of Defence in a reasonable manner to take account of the requirements of Gibraltar, the reasonable requirements of Gibraltar, without prejudicing the Naval Base. Because it is very easy to say all this is required for the Ministry of Defence. And you get buildings that are empty or you get buildings that are not used, and in fairness there are also buildings of the Government that are not used and are empty but, anyway, the MOD say that they are required for defence purposes. I think there is obviously a need for realistic negotiation as to what is essential for the Naval Base and what is not essential for the Naval Base. It may be very convenient, Mr Speaker, to park a frigate, or a cruiser in front of the Flag Officer's office in The Tower, it may be very convenient to do that because then the Flag Officer can walk across and go on board and say: "How do you do?", but on the other hand if it is possible to park that vessel somewhere else equally conveniently and not prejudicing the efficient functioning of the Naval Base, then it should be done if by parking it somewhere else we give an opportunity for a better use to be made of that wharf in an area which is now not completely Ministry of Defence. I am not trying to do a rallying call, I am trying to be reasonable and I am trying to identify the situation. As far as we are concerned the Naval Dockyard stays, the whole of the Dockyard is there, the whole area is there, no problem. We would agree with it and sign for it tomorrow but once we are commercialising the Dockyard because the British Government no longer has a use for the Dockyard, and once we know, as we do know, that giving up the Naval Dockyard is going to make a big hole in our economy which has to be refilled, that we are going to require a lot more diversification if that same place, then I think a very close and sharp look must be made at what is in effect essential requirements. And the judge of that should not just be, I think, should not just be the Ministry of

Defence but there should be some Cabinet Committee in the final resort that balances the views of the essential requirements of the Ministry of Defence with the essential requirements as set out by the Foreign and Commonwealth Office, of the needs of the economy and so forth. So, subject to that comment on essential requirements, we do endorse paragraph (2) of the motion. When it comes, Mr Speaker, to paragraph (3) of the motion, and what I said covers that as well: "trusts that, conversely, the Ministry of Defence, and indeed the British Government as a whole, will have full regard in the consideration of such proposals, to the needs of such a yard should it eventually be agreed by all concerned that a commercial operation is feasible and viable", we go along with that subject to the provisos there, and this is what I would like to say: "and to such other needs as may be put forward to the Ministry by the Gibraltar Government in its efforts to diversify and strengthen the economy generally in order to offset the effects of the Dockyard closure". Now, I am going to speak now, Mr Speaker, on the basis that the Dockyard will close. I will make some general remarks at the end on that issue but following the motion, on the basis that the Dockyard is going to close, we believe that there is a very serious obligation on the part of the British Government, if it is going to take a step that will cause such an impact on our economy, will cause job losses of some considerable magnitude and will affect the whole base of the economy, which is the Naval Dockyard, that there is a responsibility, a big responsibility on the part of the British Government to ensure that anything that is put in its place, anything that is put in its place, will, in fact, be viable and will, in fact, sustain the economy as the British Government have undertaken that they should do. And therefore we would like to see and we have made a Press Release, Mr Speaker, following the arguments between the governing party and the party of my Hon Friend, Mr Bossano, the GSLP, we did make a Press Release on the question of commercialisation of the Dockyard and on the question of looking at other proposals and trying to work them in with the preferred operator if it is found it should be viable. We say this, Mr Speaker, because we have seen other proposals, we have not been in, obviously, in the consideration of the proposals but what we have seen leads us to believe that assuming that after all the process of selection, Appledore is in fact the right person to work a commercial Dockyard, assuming that is correct, and that is a matter for a Government decision with the British Government, assuming that it is correct, we feel that within that there is scope for other activity in that Dockyard which we stated in our Press Release of the 10th February related to other uses that have been suggested by two parties. One has been Blands which relates to using the part of the Dockyard for touristic purposes and touristic development and we have had a presentation, the elected Members on our side on this, and we were very taken by these schemes together with a scheme for cargo transshipment in Gibraltar which seemed to present new alternatives, or other alternatives, or additional alternatives to commercialisation. We feel that, again I am always talking on the question of viability and I am not

saying that the Dockyard should close at all, I am saying in that situation because I think we cannot be blind to the fact that it can close, that the Government should have as much of a diversified operation within the Dockyard as is possible because once you make any commercial use of the Dockyard as opposed to Naval requirements or Ministry of Defence use, then you are undoubtedly subject to what is happening outside Gibraltar, you are subject to market pressures, you are subject to competition in other markets, you are subject to recessions, depressions and so forth and therefore a commercial Dockyard, fullstop, may not be sufficient in those circumstances. We think the Government should look at the other uses put for the Dockyard and we have also mentioned in our communique the question of a solar breeder factory which we would also like to see investigated because again what we have heard and seen about that, that provides great employment opportunities. We think that all this should be done on a broad basis if the Dockyard is to be closed. It will be very difficult to keep eggs in one basket. Diversification will have to be the order of the day. In this, Mr Speaker, and that is why I come back to paragraph (3) of the motion, we say "that the Ministry of Defence and indeed the British Government as a whole will have full regard", because, no question about it, without the assistance of the Ministry of Defence and the British Government it will just not be possible to do these things and I think there is a need for a full hard look to be taken on the diversification issue, it is most important if the Dockyard is going to close. Finally, Mr Speaker, the last paragraph, in our amendment we say we consider that full consultation should take place between all the political parties represented in the House of Assembly before a final decision is made on the commercialisation of the Dockyard. Now, Mr Speaker, that paragraph we consider to be vital. Gibraltar will go through a traumatic change if that Dockyard is closed. The whole future of Gibraltar is really put in the melting pot and it is our view that in such a situation it is wrong for a single political party in Gibraltar, for a single group of elected politicians, even though they represent the majority of the people of Gibraltar, to commit Gibraltar to a future without first having taken or having fully informed other parties representative of opinions in Gibraltar, of having informed them of the considerations that lead them to this decision, of the facts about commercialisation, of the risks that are involved in commercialisation, and I think we have to be very, very fully informed and should be fully informed on final decisions. We accept, and I think we have to accept the argument that has been put by the Financial and Development Secretary in the course of answering questions yesterday that there is a limit to the information that can be given out at any particular stage in time because of the confidentiality of the matter, of the sensitive areas involved. We accept all that but I am afraid there must come a time when we must be let into confidence and see everything that is necessary to come to an informed view on the situation. I hope, Mr Speaker, that at the end of the day it will be possible to get full agreement of all elected parties, full agreement of all

elected representatives to what happens at the end of the day because I think that on matters that are really fundamental to Gibraltar there must be, Mr Speaker, a way of coming to an agreed consensus on a situation. It may not be what one party wants or what the other party wants but there must be, surely, a way of finding a consensus on the matter. We are sorry that the Governor's Committee became defunct after my Hon Friend, Mr Bossano, decided to leave it as he felt he could not contribute usefully any further to it. I think it is a pity because I think if we walk out of situations too soon, we tend to shut doors and shut avenues of information and, also, we tend to stop the process of talking and trying to come to some consensus. My party's view is, we have put it out in Press Releases, Mr Speaker, is that we feel that the British Government should consider seriously and should continue the Naval Dockyard in Gibraltar. We have said this, we have made representations to this effect, we have talked to Members of Parliament, my Hon and Gallant Friend, Major Peliza, has been rather active in this regard in recent months but we also accept that at the end of the day it is a decision that has to be made by two parties, the Gibraltar Government on Gibraltar interests and there is also the British interests and the British Government's decision. Unfortunately, Mr Speaker, as we are not integrated with the United Kingdom, we have not got a vote in Parliament and at the end of the day it is the British Government elected by the British people that will decide this issue. This is a fact of life and that is why we go and see Members of Parliament. The other day I was in London talking to the Chairman of the British/Gibraltar Group and I had the opportunity of telling one of the Noble Lords in the House of Commons who Mr Bossano was, he had asked: "Can I talk to Mr Bossano?" and I saw my Friend down the road there and I said: "He is over there", and this is why we go and speak in the House of Commons because we recognise that the final decision is with London and I think that that is a fact of life. And if London is determined to close the Dockyard and London has a majority of Parliament that will support them in this, then it will close whatever we do, whatever we say. We may get bitter about it, we may decide to start an independence movement, we may decide to shove up this new flag we have just got up there and say "Gibraltar for ever, out British, out Spanish", and live three months afterwards or we may decide to say: "Well, look here, this is the problem, we accept the closure of the Naval Dockyard, we have no choice but you show me that the alternative that you give is a viable alternative and give us a viable alternative either with the diversified use of the Dockyard, the commercial use of the Dockyard with economic aid to put the economy on a proper footing and you show us because you are finally responsible for our economic stability, you the British Government, you show us that it will work". I know that it is a very, very difficult problem, Mr Speaker. I know we are going to have some very, very difficult times ahead because the day of decision is approaching, the day of decision is approaching and that is why I have put in this last paragraph urging that there should be full consultation between all political parties before a final decision is made. Mr Speaker, subject to the remarks I have made on the motion and the amendment I propose, we will support the motion, with my amendment.

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

HON J BOSSANO:

The amendment puts me in a slightly difficult situation, Mr Speaker, because I do not object to the amendment, I object to the motion, and therefore I feel I cannot vote against the amendment which is simply asking for full consultation to take place and, in fact, I think it must be obvious from the questions I was asking earlier on in the House that I think that the Government is not giving out enough information. The Hon Member said that he accepted what the Financial Secretary had to say about the limit to the information that could be available because of the confidentiality. But when we are still being told on the one hand that PEIDA is now out of the picture and that what they think about the prospects for success are no longer relevant because the present consultants do not share that view, although they have not been asked and yet, on the other hand, we are told that their original report produced in August/September, 1981, is still not available, still confidential, then it seems to me that the analysis is one that it is not a question of confidentiality, it is a question that we are being pushed along a particular road, the decision has already been taken, and the process of consultation is only worth having if it is predetermined to produce the answer that is being looked for. As far as this amendment is concerned, I cannot disagree with its wording and therefore I am going to vote in favour of the amendment and then I think I can talk on the main motion, answer the points made by the Chief Minister, because it is quite clear, I think, from the presentation of the motion that the motion is more about the position of the GSLP than about the commercialisation of the Dockyard. The Hon Member said that this was the alternative to discussing the GSLP policy with me on television. This is what it is about.

HON CHIEF MINISTER:

On the question of the compatibility of the Naval Base.

HON J BOSSANO:

Right, on the compatibility of the Naval Base and in fact on the whole question of the attitude of the Gibraltarians to a continued military presence in Gibraltar which is what I am going to deal with later on and I am not dealing with here. Let me just therefore only make one point in relation to the things that have been raised which are different, by the Hon and Learned Leader of the Opposition in the amendment to the motion. And that is (1) I am grateful that he recognises that there is some validity in saying that the MOD cannot be the arbiters of what is necessary for the MOD because I think it is the starting point of departure of the analysis of the GSLP, although we go much further along that road than Mr Isola

is prepared to do. I think the other thing is on the question of my leaving the now defunct Consultative Committee. I would like to give him an answer on that. I left the Committee because we were there, as I saw it, looking at the implications of the closure and the possible alternatives, in a spirit of realising the problem that would be created but still totally committed, as we were in the House, to say we did not accept the closure and, in fact, the meeting that I left was the meeting where the timetable for implementation of commercialisation was being debated and I thought it was totally incompatible to be saying I am opposing something and at the same time discussing its implementation. It seemed to me that the two things could not carry on together and I thought it was impossible to be honestly maintaining the line I was maintaining outside that Committee and doing something different in the Committee. I did not feel I closed any doors, in fact, I felt I was being dragged down a particular path that I was not prepared to follow and I am still not prepared to follow today. That is the reason for my leaving the Committee, Mr Speaker. I will be voting in favour of the amendment and then I will speak on the motion.

HON CHIEF MINISTER:

I think I can deal with the amendment when I reply generally. I have no particular reference other than the fact that the terms are wide enough to cover any possibility of the matter being considered if consulted confidentially even amongst the Members of the party and therefore I have nothing to say on that until I reply generally. I am certainly not going to oppose it.

MR SPEAKER:

Does the Hon Mr Isola wish to reply?

HON P J ISOLA:

No, Sir.

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

Debate continued on the Hon the Chief Minister's motion, as amended.

HON J BOSSANO:

Mr Speaker, I welcome an opportunity that the Hon and Learned Chief Minister is giving my party, in spite of its limited representation in the House, to explain its policy on this matter and indeed hopefully to persuade other Members that that is the correct policy to follow. I shall be dealing, first of all, with the analysis of the Chief Minister of what

our policy is and bringing him back to the correct path where he has strayed away from it in his analysis and then, Mr Speaker, I shall be moving an amendment to the motion myself because in fact the amendment that I propose to move is one which effectively states the GSLP position and therefore, eliminates the position before the House at the moment. The amendment I will move after I have given an explanation in reply to the Chief Minister because in moving the amendment I want to concentrate on what the policy of the party is and the amendment effectively will be eliminating all the words after the words "This House" in the usual tradition of this House, Mr Speaker. Let me say that in giving a time-table of the controversy, an accurate time-table of the controversy, the Honourable and Learned Chief Minister had not gone into sufficient detail. We have, Mr Speaker, to go back to the presentation made by the teams of consultants consisting of Coopers & Lybrands, A R Belch Associates and PEIDA, PEIDA being the people who produced the original study, the study that originally analysed the consequences of the Dockyard closure and the possible alternatives. PEIDA has been involved in the Port Study, which is also confidential, and in a number of other studies about other possible alternatives which are also all confidential. It is very difficult that we are expected on the one hand to give leadership to the people of Gibraltar, and where we have this difference of opinion we can only do that by leaking information which they are not supposed to know, they are not supposed to know on what basis. If we differ in an analysis of a situation, we cannot defend different analyses because we are not supposed to reveal the source. Therefore, we have a situation where in that presentation we are given, Members of the House, Trade Unions, Chamber of Commerce, and so on, invited to that presentation, are given a synopsis of the selection criteria used by these three firms. In that synopsis Mr Speaker, it says: "Selection of preferred operator. The proposals were evaluated against the following criteria: (1) utilisation of resources (2) capital programme and cost (3) naval support programme (4) extent of subsidy required (5) commercial viability (6) management proposals (7) employment creation (8) potential contribution to income and employment for the Gibraltar economy" - and one would have thought one would turn the page over and find (9) compatibility with Naval Base, but it is not there. In fact, the consultants themselves did not say at that stage that that was the criteria. What they did say was that in rejecting the Blands proposals, one of the things that they had noticed was that the tourist element in it was in fact impinging on the Naval Base, but it was not listed as one of the eight sets of conditions that had been laid down. Blands then came out with a public advertisement rejecting the selection of Appledore, that is, defending its position as somebody that had put in a bid and been rejected, which they are perfectly entitled to do, and it is in that context, obviously, that the GSLP position has to be understood. The GSLP was not saying in its release that it was supporting Blands or anybody else. What the GSLP was saying was that it did not think the Gibraltar Government should have accepted the argument of the consultants which certainly was not put clearly across in the press release No. 129 of 1982 produced by Government Secretariat. Blands, themselves,

say: "We fully accept and recognise that the military base element of employment provides for Gibraltar a high output economic benefit and should not be prejudiced. At a meeting with the Gibraltar Government Consultants in London on the 5th July we were informed that the Blands scheme raised certain difficulties with the area required to be retained by the Naval Base. Blands subsequently offered to alter their proposals so as to allow Naval Base possession of the General Manager's Block, thus leaving the Naval Base direct access to the waterfront. One does not know the detailed negotiations that have taken place or anything like that, one goes on the basis of what had been published, first of all, by the Government and then by Blands. And then, surprisingly, because it is not a very common thing for consultants to put advertisements in papers, the consultants come out with an advert which represents, presumably, the view of those who put and paid for the advert and not of the Gibraltar Government, and there they highlight the question of the incompatibility between Blands and the Naval Base. In the three paragraph advertisement it is the part that clearly stands out. They also made some references to employment and so on but that was on a controversial issue. We then came out with a Press Release which quoted the advertisement of the consultants which said the tourist related elements were incapable of amendment to make them compatible with the essential requirements of the Naval Base. And we said that in our view the Gibraltar Government should not have accepted the inclusion of this factor by the consultants. That is the essence of all that we said about the Gibraltar Government. What we were saying was that if we had been the Government it would not have been the consultants who would have decided whether Blands was incompatible or not incompatible with the Naval Base. The Government would have taken a decision on what the Naval Base could have or could not have, if the Government has got the responsibility of looking after Gibraltar. That produced a three-page reaction from the Chief Minister, totally out of all proportion to the two lines in which we had mentioned them, Mr Speaker. It was not the consultants who defended themselves, it was the Chief Minister on his own behalf and on behalf of his ministerial colleagues, who then went on to say a lot of things and, effectively, to challenge GSLP and accuse it of not having an alternative because we had said we rejected or we were not given support to any of the 8 alternatives the consultants had been discussing. Well, that is a lot of nonsense, Mr Speaker. The GSLP was the party that brought the motion to the House in July, 1981. The GSLP was the party that at that time was prepared to take the most moderate line and to work together with the British Government. But already that approach has been turned down by the British Government and it will get us nowhere if we keep on following that approach. So what does the Chief Minister then tell us in his advertisement? He tells us a lot of things. He tells us much more than anybody else has said before. He said: "It must be accepted as a fact of life that the British Government had decided to close the Naval Dockyard". Then I ask the Chief Minister and the House of Assembly. Is it going to vote to say that we are opposed to a fact of life? Does not the first sentence in the motion before the House say we are still opposed to the closure. To the closure described on the 21st January by the same Chief Minister

that brings this motion to this House as something that must be accepted as a fact of life, then what are we doing opposing it if it is a fact of life? What has the Government done to oppose it so far? As far as I am concerned, Mr Speaker, the only Member of the House of Assembly who has paid more than lip service to the question of opposition has been the Honourable and Gallant Major Peliza, whose commitment to opposing the closure can be in absolutely no doubt because he is untiring in his efforts to persuade people in the United Kingdom that the closure should not be proceeded with. That is what I call opposing something, not simply three lines in a motion and then we all go home and go to sleep. And we know the process is there, we know what is taking place, Mr Speaker. Otherwise we have no business to be in this House of Assembly if we are not aware that there is no question of decisions waiting to be taken or analyses waiting to be done or studies being done. What is happening is that there is opposition in Gibraltar and the Dockyard is not closed already, or in the process of closure already, because there has been opposition in Gibraltar, for no other reason. And Appledore knows and the British Government knows that it cannot be delivered without the consent of the people who have to do the job. We can pass 100 motions in this House of Assembly but if nobody wants to work for Appledore, Appledore cannot open shop unless we are saying that we are going to have all the Gibraltarians out of work and import 500 Spaniards for the Gibraltar Dockyard which I am sure even those who might support commercialisation would consider to be total nonsense as an alternative. So then we replied to the Chief Minister and we invited him to come on television since he is so interested in analysing our policy. Obviously, given the amount of verbiage in his communique to our two-line mention of our view, he must, really, and I think he has shown me today in his introduction of the motion, Mr Speaker, he almost analysed every fullstop and comma in the GSLP Press Release, as if it was chock-a-block with pearls of wisdom. I am really impressed with the attention the Honourable and Learned Member pays to the statements of the GSLP, with just one member, when we have all 14 I don't know what is going to happen, Mr Speaker.

MR SPEAKER:

Why aspire only to 14 when you could have 15?

HON J BOSSANO:

Because if I make it 15 he would not be able to comment at all, Mr Speaker, even he would be out. Having arrived at the point of the motion before the House which as I say is unacceptable to our party, I have to ask myself what is the purpose of the motion. If we take it purely at face value then it may be no more than having said in public that the proper forum for the matter to be debated was the House of Assembly, the Chief Minister felt it had to be followed up by a concrete offer to debate it by the introduction of the motion. If you want to put a machiavellian interpretation on it, and we tend to do that in Gibraltar, perhaps the House will forgive me if I do, then this can be seen as a statement of the preferred policy of the British Government as far as the position of the Gibraltarians is concerned.

HON CHIEF MINISTER:

Mr Speaker, I resent that remark because it attributes to me not a sincere intention in the motion but an ulterior one, as if I was bringing the motion at the behest of anybody else, other than my party, and I resent that and I hope the Honourable Member will realise that he has offended me by saying that and if it is not his intention I would ask him not to pursue that line.

HON J BOSSANO:

Let me re-phrase it, Mr Speaker, so that I give less offence to the Honourable Member although I may not be able to avoid giving him any offence at all. Let me re-phrase it. Perhaps the Honourable Member who has told this House many times that he knows what the British Government thinks, knows that this is how the British Government thinks and not that he has been told to put the motion in the House by anybody else. After all, he has told the House before, I think it was when the Honourable and Learned Leader of the Opposition failed to persuade him on the Friday about the closure of the Frontier, that without having consulted the Foreign Office he knew what the Foreign Office reaction would be and in fact he was proved right on the Tuesday when they told him he could not do what he had decided to do on the Sunday which he had told us on the Friday could not be done, I am not saying that he has been ordered by Whitehall to do it, I am saying that this line is certainly the line, as far as I am concerned, that the British Government has come to expect from Gibraltar and as far as I am concerned, Mr Speaker, it is a line that the British Government will continue to find in Gibraltar for as long as they treat the Gibraltarians as they have treated them up to now. But they are not doing it any more and they have not been doing it since 1981. That was quite clear from the statement of the Honourable Minister for Economic Development about their tribulations with regard to aid. The rules of the game are being changed, Mr Speaker, and as long as we carry on playing by the old rules we will lose the game. There may be risks in accepting the new rules, I am not denying that, and therefore it is a matter of political judgement and it is a matter of political leadership. But the mood in Gibraltar is changing, let this House not be mistaken, and therefore I am sure that in a debate of this nature which has I think clearly been pointed in the direction of saying what is the way the Gibraltarians react to Britain's defence presence in Gibraltar, I am sure that this will be reported back to Whitehall, after all, they have their Assistant to the Deputy Governor whose mission in Gibraltar, as I have said on many occasions, is to report back to UK, although we pay his salary, one more.

HON CHIEF MINISTER:

No, we do not.

HON J BOSSANO:

I believe his mission to be to report back to Whitehall, Mr

Speaker, or to the Foreign Office.

HON CHIEF MINISTER:

He is an adviser to the Deputy Governor or the link on foreign affairs because of the diversity of the work of the Deputy Governor, provided by the Foreign Office. He is not on our pay roll.

HON J BOSSANO:

Oh, well, that at least is an encouraging thing. I trust that those who pay him insist that he sends back an accurate report of these proceedings. In December, Mr Speaker, my party used its one political broadcast a year to tell the people of Gibraltar where we stood on this issue. So, in fact, what I am going to say in the House today which may not get as widely reported as I hope the audience we had for that day, will catch nobody by surprise. We are not attempting to water down our stand and this is why, in a way, I feel that there is no way that I can attempt to achieve a compromise or a consensus on the motion before the House because I think it is essential that the British Government should understand the degree of commitment that there is in our party to the stand that we have taken and that it is an uncompromising one, we are not prepared to water it down. We said in the broadcast that we had taken a stand on the question of the Dockyard from the day it was first announced in July, calling a public meeting and explaining to those who had come to that meeting which was, in fact, not very well attended, what the CSLP position was. We put those views to the British Government in a memorandum in July, 1981, even before the PEIDA Dockyard Study had been conducted, Mr Speaker. We said that our views had been simply ignored by the British Government. They just acknowledged the fact that they had them and there was no response to them. And then we went on to say that we are not prepared to accept that we, the Gibraltarians, have to try and make the economy of Gibraltar work with those assets that the Ministry of Defence can find no better use for from time to time. Not only is it unacceptable in principle, but it is not a practical or possible way to run the economy efficiently. We are saying not just that we do not agree with it because at the end of the day if we do not agree with it and the Honourable Member and his party does and the Honourable and Learned Leader of the Opposition and his party does, what we are saying is that they are going to fail. We are saying commercialisation is going to fail, Mr Speaker, not because we are going to stop it but because it cannot be made to work by anybody. That is what we are saying. And we are saying if it is possible to find an alternative economic strategy for Gibraltar which gives us long-term stability and economic viability there is only one way that it can be done and it is an extremely difficult thing to do, but there is only one way that it can be done, and that is by looking at the whole of Gibraltar, from Four Corners to the Lighthouse, and see what use is being made of every inch of ground. It is the only asset we have. And then we have to look at it from the perspective of saying, are we maximising the return that we are getting. And we have

to say to the MOD: "Look, there are two ways of approaching this. Either the British Government is responsible for Gibraltar's economy and then you have what you have had until now, that you decide what is used for what and when, and we just pick up the crumbs off the table". That is the way it has been going on all the time. We are not going to change it because if we were trying to change it we would not be pressing for the Dockyard to stay open. The Chief Minister himself recognised that. So what we are saying is that either the British Government has got the power to overrule us and the responsibility for our standard of living, or we have it. We cannot have a situation where we are told here we cannot do anything about attracting ships to Gibraltar because that is a non-defined domestic matter. OK. We cannot do anything about that because that is not within our prerogative. We are trying to borrow £10 million but we have not yet been given approval to borrow. We have now, Mr Speaker, yes, but what I am saying is that we should not find ourselves in a situation we were a year ago. Suppose we had not been given permission to borrow, then what? What do we do? We are not given money, we are not allowed to borrow, what do we do then? Well, that requires an analysis of what we are and where we stand. I have no doubt where I am and where I stand and I am prepared to defend it all the way and let the people decide. I will not water it down, Mr Speaker, and I will not be put on this issue on the defensive because I think Gibraltar has got one chance and one chance only of survival and that is the road that I am urging this House to pursue. Where does the House stand on its opposition? This House is now going to vote for the motion because I imagine that however ably and eloquently the Honourable and Learned Chief Minister says I defend the position of my party in this House, and I am grateful to him for those remarks, I may be doing it very ably and eloquently but I frequently fail to move anybody when the time comes to vote. I have not got any high hopes that my eloquence will produce a different result today. But let me just analyse what we are saying in the motion. "Whilst still opposed to the British Government's decision to close the Naval Dockyard". Are we still opposed? I asked the Honourable Member a year ago, in March 1982, when we had come back after taking the memorandum to the United Kingdom, and I am quite clear what that memorandum was about. That memorandum was about asking the British Government not to close in 1983. We said in that memorandum: "We are not telling you how long the deferment should be for but we are asking for a deferment". And a deferment asked for in February, after a meeting with the Trade Union Movement and Mr Blaker in January, where Mr Blaker said in that meeting that the closure of the Dockyard would start in 1983 and the Chief of Fleet Support sitting next to him said: "Minister, start and be completed in 1983". Where the timetable that Appledore is working to is that redundancy notices will be issued in June because under the UK redundancy procedure, and there have been no negotiations with the Unions on redundancy, Mr Speaker, because like everything else, like consultation and everything else, the interpretation being given to words is something that defies what one would find in a dictionary. One would have thought and I have always understood negotiations to mean that people start with different position initially and they gradually find common

ground in the middle and shift from their initial position. What the Ministry of Defence understand by negotiations is that we sit down with them, they tell us "You can have the same as we gave Chatham" and we say "Yes". That is not negotiation. At the moment there is no agreed redundancy procedure and no agreed redundancy compensation with the Ministry of Defence in Gibraltar and at the moment the MOD is working on the assumption that when the crunch comes, with or without the approval of the Unions, they will implement what they implemented in UK. No honest trade union leader or negotiator will go back to his members and say, "Look, this is what I have negotiated for you", when in fact all that has happened is that he has been told "This is what you can have, take it or leave it". That can be done straight with a member. And that is the situation. We have a situation then where the Chief Minister told me last year that he did not agree with me, in March, that we had been told "No" when we had asked for a deferment. In page 334, Mr Speaker, of the Hansard of March, 1982, the 17th of March, he said: "No, I do not think we have had a no. We have had a perhaps, we have not had a no, we have not had a yes, we have not had a no, that is the difficulty". I do not think Mrs Thatcher actually is like that. The Chief Minister may be like that but I do not think that Mrs Thatcher has got any problems in saying no. She says it all the time. That is why we have to wait and of course the waiting cannot be indefinitely. The time limit is coming near. In March, the time limit is coming near when we have to go back for an answer. Well, we are now coming round the anniversary and I certainly did not think it would have to be beyond the anniversary of the statement he was making then when he was talking about the time being near. But, in fact, a month after he said that, Mr Speaker, Mrs Thatcher wrote to the Deputy General Secretary of the Transport and General Workers Union on the 16th of April and said that to suggest that Her Majesty's Government's decision to close the Dockyard can be reversed or deferred would be both wrong and liable to discourage interested firms. Now, if that is not a no, well, then fine, if it is not a no I am glad to hear it is not a no. But I think that if we have not had a no, we need to go back and establish whether we are getting a no or we are not getting a no. Because, after all that was what the memorandum was all about and everybody agreed that it was important to have unity and that we should all go on the same basis and it meant that people like myself and the Trades Council who had taken a harder line agreed that we should fall into line with the people who felt that a more moderate line had to be taken because it was important to have a united front. So we go with this united front, we come back with different versions of the response that the united front has produced and a year later I do not know whether we are all now agreed that the end of the road has been reached on that or whether we are still at odds about the interpretation. Given that, Mr Speaker, I have to say that my own analysis of the whole saga of commercialisation is that even before anybody had heard of Appledore in Gibraltar, Appledore had been selected. That is my analysis, Mr Speaker. My analysis is that PEIDA knew what they had to recommend even before they had arrived in Gibraltar, Mr Speaker.

HON CHIEF MINISTER:

If the Honourable Member will give way. It is a matter, of course, for you, Mr Speaker, but the motion is about the Base, not about the closure of the Dockyard. If the closure of the Dockyard is going to be discussed here, it should be discussed in a substantive motion.

MR SPEAKER:

I think it deals on the methods and effects of the closure of the Dockyard, other than the Naval Base.

HON CHIEF MINISTER:

Yes, but the motion itself is positive on the basis of the continuation of a Naval Base and whether you have a Naval Base with or without the Dockyard.

MR SPEAKER:

Conversely, you say that the Ministry of Defence and indeed the British Government as a whole will have full regard in the consideration of such proposals to the needs of such a yard should it eventually be agreed that a commercial operation would be feasible and viable, and to such other needs as may be put forward to the Ministry by the Gibraltar Government in its efforts to diversify.

HON CHIEF MINISTER:

It is not on an analysis or a post mortem on what is happening on the Dockyard. I don't mind, of course he can go on like that but, as far as I am concerned at this stage in this debate I am dealing mainly with the question that whether the Dockyard closes or does not close, we feel that the Naval Base, which he has made it incompatible with a commercial dockyard, his party, that is why the thing is brought here. We could be talking about PEIDA and about everybody for months and it does not go to the root of the substance of the motion which is whether without the Dockyard, Gibraltar or the elected Members want compatibility which is what has brought about this question, that is, whether we should have a Naval Base or not. The point is that I am not going to answer the whole question of the closure of the Dockyard. As far as I am concerned I will answer some of the personal references, of course, to try and explain what he was quoting, of course I will do that. But I am not going to answer or go into a matter when we have been answering questions yesterday, about the fact that the whole matter is still the subject of discussions and neither the British Government or the Gibraltar Government are committed to it.

HON J BOSSANO:

Mr Speaker, perhaps I would just remind the Honourable Member that it is this same PEIDA that I am talking about that is responsible for the advertisement that produced the controversy.

So I think it is very relevant if we are analysing whether Blands proposals were incompatible with the Naval Base, the people who said that they were incompatible were these same firm PEIDA that I am talking about, Mr Speaker. And I have just said that as far as I am concerned, PEIDA knew what they had to say before they came to Gibraltar. And as far as I am concerned what PEIDA is telling the Chief Minister is what the British Government wants the Chief Minister told by PEIDA, that is what I am saying. And I think that it is very relevant to this motion. Yes, what the British Government wants. That is what I am saying. I am saying that PEIDA is at the service of the people who pay them in UK, that is what I am saying, Mr Speaker, and so does everybody else. I have not seen the report that PEIDA produced. I have only seen the part of the report that PEIDA chose to present publicly. I am not entitled to see the report, Mr Speaker, as a Member of this House of Assembly. However, many people vote for me, I cannot see the report that the Chief Minister has got which decided that Appledore was not incompatible, but Blands was incompatible and to what extent they were incompatible and what loss of jobs there would be. The Chief Minister has said, in his defence of the consultants, that the GSLP position would put 1100 jobs at risk. That was the headline in the Post, 1100 at risk. So what are we saying, that if the alternative had been Blands, the Naval Base in its entirety would have closed down and sacked 1100 people, or would it just have been the Admiral's driver. I don't know, because I have not seen the report, Mr Speaker, and I am not entitled to see the report and I have been asked to endorse something, and so has every other Member of the House, which is based on advice which is based on a report which we don't know. Perhaps, given the difficulties in which the House is being put by the Honourable and Learned the Chief Minister, it might be an appropriate moment if I moved my alternative, Mr Speaker, and I move the amendment which places no such constraints on Members and use that as an appropriate point in which to persuade Members to support what I am saying. I move, Mr Speaker, that the motion be amended by the deletion of all the words after the word "House" in the first line, and the substitution of the words "is totally opposed to the closure of the Naval Dockyard, considers this policy to be against the best interests of the United Kingdom as well as Gibraltar, as evidenced during the recent Falklands crisis, and appeals to Her Majesty's Government to reconsider its decision. If further considers that Gibraltar's economy cannot be made viable through a diversification programme on the basis that the resources made available are determined by the military establishment and that, in view of the alleged value of Gibraltar to the Western Alliance, the opportunity cost of the military base should be identified and adequately compensated for". That is the philosophy of the party.

MR SPEAKER:

Could I have a copy of your amendment?

HON J BOSSANO:

Certainly. Is that a philosophy of "British go home"? I do not

think it is, Mr Speaker. No, it means stay here but not subsidised by me, that is what it means. Because as far as I am concerned, if there is, as there is, Mr Speaker, at the entrance of Eastern Beach a military establishment which contains very valuable equipment flown in from the United States, which was put there, trenches dug, and the equipment put out into the seabed, and the only economic result of that particular operation was the three Moroccans digging the trench, we have got a piece of land there which I do not want to know what it is used for but I want to know one thing, what Gibraltar is getting out of it? As long as we do not have economic problems that is fine, we do not change anything, but if we have economic problems and if we are being told we cannot depend on Britain to give us hand-outs because, after all, the economy there is very bad and unemployment there is very high and we are living in a very difficult world and we have to stand on our own feet, well, we might need that piece of land to stand on our own feet. So we should go along and say: "Right, this is what we would be able to do with that". This economic plan that the Government seems to think I carry in my briefcase and I have very many times very patiently tried to explain, Mr Speaker, that I am talking about economic planning, which is an approach, a philosophy, to the role of Government. And if that Government looks at all its resources and decides which resources it develops as Government, which resources are developed by the private sector, which resources are used for defence purposes, and what each costs Gibraltar. And we do that because in fact we have no choice. We have been told we have to manage on our own and there is no way we can manage on our own on the present setup, Mr Speaker. We can only manage on our own either by taking the responsibility and having the power to discharge that responsibility, or else we have to say to Britain: Look, it is not on. You have to do what a lot of people wanted in Gibraltar a very long time ago and which I am still prepared to support today if somebody comes and tells me that the British Government has changed its mind, and that is to get intergration. But the position is that the British Government has said no to intergration and as I see it I cannot force them because they have to want to intergrate with me as well as me wanting to intergrate with them. I cannot force them but what I can tell them is that they cannot have their cake and eat it and that is what they are trying to do with us in Gibraltar, Mr Speaker, and we will not play ball with that, the GSLP will not play ball with that. And at the end of the day when the results of the present study come out and I predict what the result will be just like we predicted some time ago that Appledore would be selected, because Appledore, the individuals in Appledore, Mr Speaker, were involved in the rundown in the naval base in Singapore, in the rundown of the Naval Dockyard in Malta, in the changes in Cyprus, they are experienced people that have been previously used to do the same job by the British Government in other places. That is what they are there for, because Appledore, Mr Speaker, has been engaged by the British Government before they came to Gibraltar in a cost cutting exercise in British shipbuilders which has not been very successful, in fact, because the losses have been much bigger since they went into cut costs than before they went in. I can tell the House that the last report of British shipbuilders show that on the ship repair side, British

ship builders since its incorporation in 1977 ...

MR SPEAKER:

Let us not go into the Report.

HON J BOSSANO:

No, I am only going to quote the figures, Mr Speaker, because I think it is relevant. They have lost £45 million as a trading loss, and something like £110 million at the pre-tax level. Given that, we are going to get the people who know this because they have been doing it over there, telling us that in Gibraltar it is different, they can make it work. Alright, well we can discuss it all we like here but at the end of the day, of course, irrespective of whether it can work or it cannot work, the people whose jobs are at stake are going to have to be consulted and this is where the Chief Minister quoted me about what I said to him when I saw him after Appledore had been selected. I said "Look, as far as I am concerned, the people in the Dockyard cannot accept or reject something before they know what they are accepting or rejecting. It will have to be put in front of them". And my advice to the Trade Union Movement has been, and I have said so publicly, and I have said to the Membership, and I have said so to the Head Offices, I am not the policy maker but the advice that I am giving and the advice that I will give is that this is too serious a matter for anybody to take a decision for anybody else. I think the people involved have to decide. But irrespective of what they decide, the GSLP will make its own political judgement and come out with its political position and on the basis on all the information that we have available and we probably we have as much unofficially as other people have officially, on that basis we are predicting that this is a con, that this is a failure. Even if the people accept it in the Dockyard, it will still fail, Mr Speaker. And if we thought it could succeed, we would come out politically and say: "This should be agreed to, this should be supported because this is the answer to Gibraltar's economic problems and this can save our economy", even if the people did not want to accept it, they are two separate issues. One is the issue of the man who is going to work somewhere on a set of conditions to do a certain job and it is his prerogative to decide whether he works or he doesn't. You cannot direct labour in a democracy, you cannot say to people: "You have to work for Appledore because the Government of Gibraltar wants to have a commercial dockyard or the British Government wants to have a commercial dockyard". You cannot do it, so the people there will decide whether they work for them or not and I have a suspicion they will vote with their feet. I have already told Appledore what I think, I have told them already that my own judgement is that people in the situation that would develop if they went ahead and if their proposals were accepted, people would then have a situation where there would be first, the dole, second, Appledore, and then everybody else. And they would only chose Appledore if they have to chose between the dole and Appledore and they would only stay in Appledore until they find somewhere else. That is how the commercial dockyard would work or would not work, as the

case may be. Is the policy that I am putting forward to the House in my amendment such a radical policy, is it an anti-British Policy? Does it put at risk the Western Alliance? I do not think it does. I do not think that I am in a position to judge how good or how important Gibraltar is to the Western Alliance. Obviously, Appledore is because they chose to come out telling Admiral Crowe that he was completely wrong in his analysis about the need for a Naval Dockyard, their dockyard can provide the Western Alliance with everything they need, never mind the Naval Dockyard. Of course, Appledore have got a vested interest in persuading people what a good idea it is. It is a good idea for them, Mr Speaker, they stand to make a lot of money out of it. It is a good idea for them, for nobody else. Now, in our own position on this matter, what we are saying is what I said about the example of the installations in Eastern Beach. I think the British Government has got to come clean with us. I think we have to accept in this House of Assembly that Gibraltar is not going to stay as a colony for evermore and it is not going to stay as it is for evermore, that the direction in which we have been edged to go has been there all the time. In 1972, Mr Speaker, I came back to Gibraltar to stand for election because the idea of a lease was being floated and Gibraltar was in danger and I am absolutely convinced in my own mind that that was really true and that it was the right decision to come back and I stand today in 1983 to defend the principles that I came back in 1972 to defend. That, I think, in the circumstances of today, has got to be reflected in a stand with the British Government which says: "Look, you cannot just carry on the way you are going. You cannot simply abuse the support, the loyalty, the Britishness and so on of Gibraltar to get away with murder in Gibraltar which you would not get away with anywhere else". I do not think we can go along with a situation where we come out thanking them for their £9 million aid when we still do not know what we are going to be allowed to spend it on. It is not on. I do not think that that £9 million is something we have got to be grateful for. On the contrary, I think they have got a responsibility for Gibraltar which they are failing to discharge, Mr Speaker. And I think that is a message that is required to come out in this House of Assembly and it is a message that the Chamber of Commerce is looking for, and it is the message that the Trade Union Movement is looking for, and if this House fails to respond to what is the real feeling of the people of Gibraltar outside the House, then the House of Assembly will be effectively unrepresentative in the sentiments it expresses to the British Government. I therefore urge the House to support my amendment.

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

The House recessed at 12.45 p.m.

The House resumed at 3.25 p.m.

MR SPEAKER:

Well, gentlemen, I think the terms of the amendment to the motion as moved by the Honourable Mr Joe Bossano has been circulated. I have proposed the amendment to the main question and I therefore now invite any contributor who wishes to speak on it.

HON CHIEF MINISTER:

Mr Speaker, having initiated the motion before the House, I think I ought to be the first one to speak on the amendment. Whilst it is true that on many occasions we have deleted all the words after "House" and put something else, it has always been of the nature of the business which was before the House. In a busy lunch hour I have not had time, and I am sure that if you have allowed it it is perfectly alright, but I have not had time to look at Erskine May to see whether an amendment to the motion can be so diverse and absolutely different from the subject matter of the motion before the House.

MR SPEAKER:

May I say that it is most certainly in order. It is the parliamentary practice to allow amendments which will give a completely different result to whatever the main motion was and, as a matter of fact, it is the parliamentary practice which is used for the purposes of defeating what was first proposed to be carried.

HON CHIEF MINISTER:

I was not saying that I would have found anything different but I have not even been able to look at it. I know that you can ask what the Prime Minister is doing one afternoon and then try and find out the rest of a number of questions which are not relevant.

MR SPEAKER:

If I may quote from Erskine May at page 377, "Amendment: The general practice with regard to amendments is explained on pages 386-92; here such amendments only will be mentioned as are intended to evade an expression of opinion upon the main question by entirely altering its meaning and object".

HON CHIEF MINISTER:

Well, that is one such amendment which no doubt Erskine May allows but I have still got to put it in its proper context and that is that the purpose of my amendment was to deal with a matter which had been the subject of public controversy and I said that this was the forum for it, and of which I have given notice and on which people can prepare, whereas this amendment which is no doubt one worthy of debate, long debate, on which no doubt there are many views, is sprung on one, not even with a copy of it, before lunchtime, which traverses completely the purpose of the motion. If it was going to be a question of the Dockyard then the Honourable Member would have been fully justified in bringing an amendment so for that reason alone of course

we will vote against the amendment apart from the merits of it. Mr Brocklebank-Fowler who was here recently, said something on television which I think is very true. He found a considerable amount of agreement in substance on many matters but different approaches to it. I think this is a typical one. The point is that we are completely impotent in this respect, in dealing with motions of this nature, because they do not take us anywhere. The other one may be an assertion, whether you agree with it or not, that it is in the interest of the Western Alliance, it is in our interest to have a Naval Base, but this one aims at doing things that would never be possible. Because, in one way or another, and perhaps not as crudely as put in the terms of the amendment, one is doing all the time. Insofar as land is concerned there is no disagreement about that. Members know that we report occasionally what progress or what lack of progress is being made, it is an ongoing problem. And let it not be said that because Gibraltar is a colonial territory as there are many others, either under the old British Empire or in other states, that the people have got perhaps as it is intended here, more rights than the people of the metropolitan territory because it would be very difficult for a Member of Parliament to try and defend in the national context or the national interest in the House of Commons, to value, for example, the contribution made by Chatham to the defence in the past and so on and to seek assurances arising out of that because Chatham is going to be closed, and the contribution made by Chatham to defence over the years which has I think a slightly longer history than our own dockyard has to be measured against the general interests of the community. That a Member of Parliament in England would not stand a chance to try and get evaluated as it is attempted to be done here in order that we put a price on it because it is not, unfortunately or fortunately, however you may look at it, it is not entirely ours. What is ours are basic human rights included in the Constitution, the preamble of the Constitution, the goodwill of the British Government to stand by the people of Gibraltar, these are all positive factors and facts of life without which we would not be able to be the free community that we are. But to go into the merits of determining the opportunity cost to the Western Alliance of the Military Base, "in view of the alleged value of Gibraltar to the Western Alliance, the opportunity cost of the military base should be identified and adequately compensated for". If that does not mean that we should put a price to the value we have as a base, I do not know what it means, if words mean anything. If it means something else, I would be delighted if the Honourable Member would clarify that to me.

HON J BOSSANO:

I thought I had already done so, but if I haven't I will do so. I said in introducing the motion, Mr Speaker, that there was a place in Eastern Beach which provided Gibraltar exclusively with work for 3 Moroccans digging a trench and it is providing Gibraltar with nothing else at all. It has an opportunity cost, opportunity cost in economics means what you are foregoing. That is what opportunity costs means. It means that if you have got today The Mount, The Mount has an opportunity cost which is

not the value to the Western Alliance which may be nil, but the cost to Gibraltar of not having something in its place. That is the opportunity Gibraltar is foregoing.

HON CHIEF MINISTER:

I appreciate the small lecture from the economist on that, but in practical terms, it is exactly the same because that little access to the sea for whatever device, four people dug a trench, that may be of no interest to put in an umbrella and a deck chair whereas something much more important than that elsewhere which is not being so vitally used could be terribly helpful for the economy of Gibraltar so the whole thing is very relative. I am afraid that for that reason I shall deal in the substantive motion with some of the very interesting matters said by the Honourable Member. Let me say that I commend him for the case that he has made from his viewpoint and I can sympathise a lot with the difficulties that he has to contend with as we all have to contend with in different spheres of our public activities, but I think it departs from the main purpose and that is that this House should pronounce publicly on whether, having regard to the basis that if there is a commercial dockyard, if it is decided at the end of the study that there should be a commercial dockyard, that that is not compatible with the holding of a Naval Base in Gibraltar which is the purpose of the motion which was to say, yes, and I think the Leader of the Opposition made a point much more clearly than I have made it in my own contribution originally because I thought, it is one of those things that one takes for granted, it is well worth repeating. In fact, the motion says so but not only, in fact, for the defence of Gibraltar in the sense that the Base is required to defend Gibraltar apart from defending the Western Alliance, but it is of the fact of the presence of a Naval Base which means that any attempt against that Naval Base is not an attempt against Gibraltar itself but against the nation that has the base here with is the mother nation, which is Britain. And that is why we feel that it is so important that a continuing naval presence in Gibraltar, by means of a base, that a naval presence has no other kind of presence but a base. If they have a dockyard, ancillary to it and so on, but the presence of the navy is the base in land, is the base that serves the navy, and the base will continue to serve the navy and the NATO countries and the allies of the British Government. It is the symbolism of that, the fact that an attack on that is an attack not on Gibraltar only but on the Western Alliance, that it is very important that the base should be there. That is what came out of the exchanges that I wanted to make clear and which I was asked, challenged if you want to call it, to go to television where we would have had ten minutes and then we would have Dallas or something else after that and the House is not only the right forum to debate this matter but it is one in which is important that we should exchange views on matters of vital interest to us and even though we may differ, that is of course the purpose of a legislature, the purpose of the House that represents the various sections of the community, to express their views on this matter. For that reason, and that reason alone, apart from the many other matters, I will not go, and I say so with res-

pect, except as it is required for the purpose of the motion, I will not go into the question whether Appledore is better, whether Appledore was appointed previously, or that they had it all in their minds, it was all a big conspiracy beforehand. The Government haven't committed themselves yet, there is so much money to be put into it. However much we want that they might look at it again and so on, but having regard to the stage of the nation in the United Kingdom, having regard to the attitude that the British Government takes when it takes a decision and the extent to which they are prepared to make the people to whom they will be going for votes again in the not too distant future, how they make them suffer be it through the deprivation of National Health Services by maintaining their attitude in respect of wages, be it by holding out on the question of the water workers who never had any industrial problems before and 7 or 8 million people in the United Kingdom are now told to boil their water before they can drink it and others are deprived of water and have got to go, as we used to do in the old days, to the fountain to get water and yet there is very little movement on the part of the Government to change its mind. I think everybody knows that in the United Kingdom, whether you like it or not, you have a

Government that when they make up their minds they very, very rarely have U-turns as they were alleged to have been doing. Anybody who deals with the United Kingdom would know that. I am hopeful, as one can always be, about a possible change, it could be a change of strategy or what have you. Certainly in terms of a decision having been taken, to take an attitude, or rather and I think in that respect I think the Honourable Member did concede the point that I had made that it is very difficult to refuse something without knowing what you are refusing. Even though he in his knowledge and prediction tells us that it is going to fail, a priori, I mean there are people spending time and money and visits, train journeys, flying to England and coming back, the Financial Secretary, of other people getting together and looking at things, but it is all useless, if they had only asked Mr Bossano he would have told them that it would fail. But, unfortunately, things are not as simple as that because the people who have got to take the decisions are the people who have got to have the material before them and not either the hunch or the prediction or perhaps the vision that the Honourable Member and Mover of the amendment has. So for that matter I will not deal with the question of the closing of the Dockyard as such because that was not certainly my intention in the motion but only to make clear the need of continuing presence and at the same time thus anticipating the question of the extent to which we also are entitled to help, there is the conversely part of the motion where I say that we expect not only the Ministry of Defence but the British Government itself to have full regard to the matters which are the matters to which the Honourable Member refers but put in a way that is more likely to succeed in Whitehall than the terms of the amendment against which, of course, we will vote.

HON P J ISOLA:

Mr Speaker, we shall vote against the amendment. Let me say, straight away, that the Honourable Mr Bossano has put his case very powerfully there is no question about it, but it boils down

to the issues that I have spoken about when I addressed the House. It boils down to is our relationship with the British Government to be one of bargaining, literally bargaining, how much is this worth to you. We think that this piece which you use for communications you should pay for, we think this and that. If the relationship is going to be how much is something worth to you or this must be worth to you so much, then I think that we have to accept the converse. If the relationship is based purely and simply on business lines, the British Government could legitimately turn round and say, right, let us do it businesswise. Today it is worth this tone, I'll pay you but, equally, tomorrow, if it is not worth to me anything, I have no further responsibility in the matter, you look to somebody else to get you out. And we all know who that somebody else is. I believe that the relationship, and we believe on this side of the House however attractive and however emotionally appealing it might be to people in Gibraltar subject to the influences and the harangues and the speeches of the very eloquent Honourable Member, we believe at the end of the day the relationship between Britain and Gibraltar has to be one of obligations and responsibilities and we have to have them on a higher plane and what this motion really seeks to do, Mr Speaker, the main thrust of the motion is really to say, "Well, look here Britain, you are closing the Naval Dockyard, from now on you pay for everything you have got here and we decide how much you pay and so forth", but it ignores the fact that we just don't have the muscle to uphold what we think they should pay and what we think they should do. It is just not there. The Honourable Mr Bossano, who is such an intelligent man, is just in the moon, he is living in the moon, unless he has some sort of deal going with somebody else who is going to underwrite in the event of something going wrong. Where is the muscle of Gibraltar? What, 20,000 people go out in the street and burn down The Convent and that will make the British Government reverse its decision, that will make the British Government pay for the Base and pay for this and pay for that? The path that the Honourable Mr Bossano is following and the path that this amendment indicates is a very dangerous path for Gibraltar. We are not prepared to embark on that path until we really believe that everything was lost but we do not believe that is the situation, we believe that there is obligation and responsibility around and that is why we come straight out and say: "Right, he says this is the philosophy of my party, our short answer to that is that we reject that philosophy and that path". Mr Speaker, however, let me say one thing. As far as we are concerned, as far as we understand, the Government and certainly it is the position of my party, and as the Honourable Member pointed out we have one member of our party who actively campaigns for this, it is the position of our party that the first preference is that the Naval Dockyard should not close down and, therefore, whilst voting against this amendment, we ourselves will put for the consideration of the House, an amendment appealing to Her Majesty's Government to reconsider its decision. That we are quite happy to do and we are quite happy to put in because we do not want the Honourable Mr Bossano to leave this Chamber and tell people: "There you are, I am the only guy who wanted to keep the Dockyard open. I am the only guy and everybody else are really out to close this and so forth". That is

not the position and I think on a thing as important as the Naval Dockyard, although the opening sentence of the motion of the Government says: "Whilst still opposed to the British Government's decision to close the Naval Dockyard", and all that, should indicate how we all feel in this House, nevertheless, I think it would be advisable and I certainly have no objection to putting in an appeal since the House is discussing it, for Her Majesty's Government to reconsider its decision. Having said that, I would like to add that if the British Government rejects our appeal, one must not then say as unfortunately some people will say, "There you are, they have let you down again". The British Government has put down its reasons for closing the Naval Dockyard, it has put it down in the context of the British Government Defence Review, we have a lot of things to quarrel about but it has put it down, it has given its reasons, we may accept them, we may not accept them. We can have our view but they can also have their view of the matter and although we are appealing for it and we hope the British Government will consider it seriously again, as far as we are concerned we do not take the line that the whole thing is pre-determined and it is all part of one big plot to betray the people of Gibraltar. We do not take that view and as I said when I opened for the Opposition on this, if we believe that sincerely then I think that we would be looking elsewhere, and that is the harsh reality. If you believe that you are going to be betrayed and you are about to be betrayed, sold, anything you like, then my advice is you had better make a deal with the only other guy in the market. That is the reality of the situation as we see it and we do not believe that that is the position and, accordingly, we cannot accept a course of action that commits the people of Gibraltar to a confrontation because that is what it really is, a confrontation with the British Government which, if taken to its conclusion, we will not win and cannot win.

MAJOR F J DELLIPIANI:

Mr Speaker, I am only speaking once and I don't care whether I speak to the amendment to the amendment or the original motion. What I think has been coming across very clearly in Gibraltar, and I do not think it has come across in this House, is that it appears to me that the British Government is doing us a favour in leaving the Naval Base here. Let me make it quite clear that it is not a favour, that it is not for our benefit that they are leaving a Naval Base. They are leaving it for themselves because they want it. Let me make it quite clear to the people of Gibraltar it suits us that it is going to keep 1100 jobs, it suits us fine but they are doing us no favour by leaving the Naval Base. They are doing it because they want it, because it suits them. If it didn't suit them they would close the Naval Base and they would not care two hoots for us. Which brings me to the question of defence which has been mentioned in this House. I have heard it said from UK, from the House of Commons, from everybody, that we have nothing to fear from Spain because Spain has said that they will never take up arms, that Gibraltar is not worth a confrontation, so we have nothing to fear from Spain. We must not bother about Spain, Spain will do nothing to us. So, therefore, the only thing we have to worry about is the defence

of Gibraltar because Gibraltar has a Naval Base. I think there is some logic there. We only have to worry about the defence of Gibraltar because there is a Naval Base there, we do not have to worry about the Spaniards because they have said, and they keep their word, they kept their word in April, 1980, they kept it the second time and the third time, they always keep their word, so we have got to accept their word, the British Government has already accepted their word that they will never use force of arms to recapture Gibraltar. So therefore we are concerned then with the defence of the Base which it so happens the British Government wants to keep here and it suits us because it is going to keep going 1100 jobs. Otherwise we would lose that, too, and I am sure that the British Government if it suits their Defence White Paper, would not hesitate in closing down the Naval Base if it suited them, but it also suits us to keep that Naval Base. But I think that to have a Naval Base here means that that Naval Base poses a greater threat to Gibraltar. I don't see and I am not satisfied that that threat to Gibraltar which that Naval Base poses certainly from the Eastern countries, we are not properly defended. Gibraltar could be walked over right now and it would be far more difficult than the Falklands to recapture because we are here, they could move out into the hills and everything but we are here and Gibraltar is lacking in defence and it does not take the NATO Commander from Southern Command to come and say it. I have been saying it since the early 1960's. We have no guns which are radar controlled in Gibraltar, most of the radar that we have in Gibraltar is geared to air traffic control, it is not geared to early warning. Just because they brought in a Troop of blowpipes, and they have upgraded the 105 to the light gun 105, it does not mean that we are safe already. If Gibraltar has a greater danger because the Naval Base is going to remain here, then it is up to the British Government to ensure that the Naval Base and Gibraltar is better defended than it is now and she has to provide more troops and more equipment to give us that defence. The Hon Mr. Bossano brought up a very good point on the question of the American equipment at Eastern Beach which as we know is for the detection of, well, I know, you might not know, Sir, but I know. Well, I won't say it in the House.

MR SPEAKER:

Let us not get too involved on the implications of the defence of Gibraltar.

HON MAJOR F J DELLIPIANI:

They required that area and because of that area you cannot do anything else in that area. But now they have put an advertisement inviting prospective tenderers for an earth satellite station. It does not have to go to the Development and Planning Commission, because they are the lords and masters, so they can put it anywhere. They could put the earth satellite if they wanted probably in Main Street. And then, probably, we ourselves would say: "Ah, but we want this piece of land for ourselves because we want to develop this land, we want to do it here!" And what is the answer: "Oh, yes, that is a good scheme,

but we have to put it somewhere else so you have to pay for the reprovisioning. We are not consulted as to whether they put the earth satellite, where they put this, where they put that. This is the problem with Gibraltar, that we have no say in how we can use our land, this is the problem. Look at the No 4 Dock, how long has it been out of use.

MR SPEAKER:

With due respect, we are now debating an amendment to the motion.

HON MAJOR F J DELLIPIANI:

I said I would talk on the compatibility of the Naval Base and that still forms part of the Naval Base. No. 4 Dock has been closed for donkey's years and now it is used as a swimming pool for the privileged few when it could probably be brought into commercialisation in a small scale for small yachts and it could be providing work for the Gibraltarians. This is what I am saying, that OK, the Naval Base is required in Gibraltar because it suits them, it suits me too because I am Western orientated, I believe that there is no good Red except a dead one, except for a few exceptions, but what I am trying to say, Sir, is that we are willing to cooperate with the British Government but the British Government does not cooperate with us because they still retain many pieces of land for the privileged few and one of the cases that come to mind is The Mount, that huge area of absolutely marvellous land for one Admiral and his family. To me, it is incredible. I am sure that the Admiral in charge of Portsmouth or Devonport has not got a house or a garden half that size. But we have this colonial attitude in Gibraltar and these are the things that hurt me as a Gibraltarian. Because we are not making the full use of the only asset Gibraltar has which is the land. This is the problem and let us make it clear to the British Government that it is not a favour they are doing us, it is a favour they are doing to themselves because the same way that they treated us so callously in announcing the closure of the Dockyard, they would be just as callous in closing the Naval Base.

HON MAJOR R J PELIZA:

Mr Speaker, I think that no one doubts how determined I am to try and keep the Dockyard in its place and I would do everything possible to try and retain it there. But it is very difficult with the wording that my Honourable Friend Joe Bossano has used, both in the amendment and in some of the things that he said, to go with him in this respect. I find the word "totally" at the beginning of the amendment difficult. What does totally really mean? Are we going to break with the British Government over the dockyard? Is that in the interest of Gibraltar to do? In any case to what extent isn't one part of the same entity of which the British Government is. I feel I am a Gibraltarian British Citizen of which my mother country is Britain and of which Gibraltar is part of that entity. Therefore, Mr Speaker, I am not here to bargain the price of the Base at all. As far as I am concerned the Base is mine just as much as it is British and of the people of Britain. I know that this is rather difficult for some people to understand but I feel that this is the best way of tackling the analysis of this motion. It has got to be subjective. It is subjective as far as I am concerned on my

patriotism as a Gibraltarian British and as a British Citizen who wishes Gibraltar to remain British. To me patriotism is a mixture of emotions, interests, moral values and realism. And when you put all those together, to me that is patriotism. And if we look at our situation in Gibraltar in that light I do not think we can go very far wrong, Mr Speaker, and it is with this attitude that I think that Gibraltar as a whole should approach this problem. We are, as it were, in a tug-of-war in which not just us are pulling one way but possibly a number of departments even of the British Government are pulling their own way. You may find the Navy who want to spend £10 million. In the eyes of that particular, shall we say, civil servant, who is being told to save as much money as possible, he says: "I have got to take away £10 million from here because I can put it in the kitty and use it for something else. The Foreign Office says: "Well, if you take that away I am going to have a problem with Spain because they will not open the frontier because they think that you are going to let them down so he says: "We have to find something in its place, so let us have commercialisation". And so on, and so on, Mr Speaker, and we are also an interested party and also we have the Government itself. Not all the Members of the Government perhaps are even in agreement as we all know with the present defence policy. Even inside the Government itself, even in the Cabinet itself there might be members of the Cabinet who do not agree with the present defence policy and therefore would like to see a bigger surface Navy and would probably like to see the Dockyard remaining open. As we know, Keith Speed, wanted it and in fact he resigned over that. I have letters here from Members of Parliament who say so themselves, that they would like to see the dockyard kept going. It is not as simple as it looks, it is very difficult. And in that respect, Mr Speaker, looking at it in that light, that is the way that I myself feel I have got to analyse this and I am sure that Members of my party analyse it in that light and I have a feeling that also the Government itself sees it in that light. I grant one thing to the Government. They are in the most difficult position of the lot and although I pressurise them I know perfectly well that at the end of the day they carry the can. And if things go very wrong in Gibraltar and there is serious unemployment and the whole thing becomes chaotic, it is the Government that is going to have the finger pointed at them. So whilst I insist and try to get the Government to do something about keeping the Dockyard open, I realise that it is in a very difficult position indeed and I think it is only fair that we should see it in that light. If we look then, Mr Speaker, at this amendment, it says: "is totally opposed to the closure of the Naval Dockyard, considers this to be against the best interests of the United Kingdom". Well, I doubt whether we can sit in judgement as to what is in the best interests of the United Kingdom. We just cannot do that. We may make a suggestion, we may think so, I say so in many of my letters I say: "You will be sorry the day you let that dockyard go. You may need something else and you may not be able to use it". But I cannot tell the British Government what is in their best interests. I can only try and do this through the Members of Parliament some of whom agree that it is in the best interests, some of whom do not agree that it is in the best interests to keep the Dockyard open. But if you do go

on a little further and say "in the best interests of the United Kingdom as well as of Gibraltar", then, yes, that little bit I would agree with. That it is in the best interest of Gibraltar, with that I think we all agree. Then it says: "appeals to Her Majesty's Government to reconsider its decision". I think that is excellent and I am sure that Mr Bossano would support that little bit even if we do not agree with the rest of his amendment, he will be able to go along with that. I am very glad to have heard the Leader of the Opposition say that we hope to be able to introduce a small amendment to this effect in the main motion, Mr Speaker, and of course I am only speaking on the amendment, I would like to say something about that subsequently on the main motion. The amendment goes on to say and this is perhaps where one really just cannot go with it. "Gibraltar's economy cannot be made viable through a diversification programme on the basis that the resources made available are determined by the military establishments". I am convinced that if the whole military establishment were to leave tomorrow we could not make this place a viable place. I am convinced that that could not be possible for as long as we have next door to us a country which is dead against allowing us to survive. So that does not make sense at all. It is just not possible. They are determined, as we will know through the siege, through the way that they have opened the frontier now, through our fears that they would compete with a commercialised dockyard, all those fears are there. How can we for one moment believe that if we were to disagree with the military establishment here in Gibraltar and send them packing the next day we would be able to get together and really build a wonderful prosperous little community in Gibraltar? I do not believe that unless there is a goldmine hidden somewhere under the Rock of which I used to speak about but of course, as you know, my goldmine was the Dockyard and still is the Dockyard, that was my goldmine. Not only the Dockyard, as you all know, in fact, the goldmine to me was the defence industry and that is the biggest industry that we have here and I have always felt very proud of participating and helping in some way in this industry because this industry, happily for us, is the one that has maintained democracy and freedom in the world and to that extent Gibraltar has been contributing and I hope that we can carry on contributing. And this is why when they tell me that perhaps we should have a civilian Governor instead of a military Governor, I say no.

MR SPEAKER:

No, no, let us not go into that now.

HON MAJOR R J PELIZA:

I say that to emphasise, Mr Speaker, the importance that I attach to the military establishments in Gibraltar whether they are the Naval Base, whether they are the Regiment which is defending us, whether it is the RAF in North Front, whoever they may be. I think that is vital to us for the sake of being able to exist, for the sake of our own defence, for the sake of the defence of the values and principles that we in the Western World I think very much appreciate and like to be able to enjoy for

evermore. Therefore, Mr Speaker, how can I go on then and carry on talking about identifying what compensation we should have? That is mercenary, Mr Speaker, that is not patriotism. If we are going to start talking about how much we are going to ask for the Base and that, whether Mr Bossano has said it or not, is the impression that this gives. Any person who reads this will get that impression, that we are now trying to get a good return for allowing Britain to use the Base. That is not the attitude, as I said from the beginning. It cannot be, it must not be, it hasn't even got to be thought of. We are in the same family and this is purely a little internal matter of interest that one is pulling one way and the other is pulling the other. Of course, we have a lot at stake I fully agree on that and therefore we have got to make it known how much is at stake because it is very possible that the people who really have to make the final decision are not fully aware. I talked to many Members of Parliament who are 100% behind us and they say it is alright because we are going to get £45 million to replace the Dockyard. It takes about an hour to explain to them all the problems that arise. They do not realise it. They say: "But you are going to be better off than you are now". Some of them believe it. So it is most essential that we do an exercise of which I will speak about later. I hope that I have made my position quite clear. I am one of those that are determined to see that the Dockyard remains open. I will do everything possible, democratically, to try and achieve that. I can see the point of view of Mr Bossano. Sometimes when you get to the point of desperation you act in a way that is not in your best interest. I have a feeling that that is perhaps the position that some people are getting into and that is a very bad position to get into because you do things in the end that you regret. Cool down, think practically, unemotionally, and then, I think, decide. I hope that this is a good exercise that we are carrying out today. Obviously, I agree with the Chief Minister that it is much better than a debate on television, at least more of us have been able to participate and I do hope that at the end of the day, as usual, even Mr Joe Bossano will be able to vote with a consensus motion which will carry the full weight of all the representative bodies of Gibraltar.

MR SPEAKER:

I will now call on the Hon Mr Bossano to reply to the amendment.

HON J BOSSANO:

Mr Speaker, I was at pains to make the position of the GSLP explicitly clear and I said that our analysis of the situation leads us to the conclusion that this is the kind of leadership that Gibraltar requires and is looking for, it is a leadership that we will provide if that is what the people want, I have to tell the House and I have to tell the Honourable and Gallant Member who has spoken last that I am afraid that it is not possible to have a consensus of this. Either we carry on the way we have been doing up till now, which in my judgement will lead us to disaster, and I do not need to wait until Appledore reports on the 30th of April to know that, and I think that anybody who does their homework will come to the same conclusion. It may be that

the conclusion is a very unpalatable one and that one prefers to stick one's head in the sand in the hope that somehow some miracle will happen to bail us out. There will be no miracle. I would like to say that I am grateful to the Honourable and Gallant Member, Major Dellipiani, for what he had to say. No doubt he will vote the way his party wants him to vote but I think when he was speaking he was speaking as a Gibraltarian rather than as a politician and he was reflecting a sentiment that I hear daily from hundreds of people in the streets in Gibraltar, that we are being taken for a ride. And if we are being taken for a ride, Mr Speaker, I will have no part of it. If I am mistaken then, the end result will show it and I will have been proved wrong. If I am not mistaken I will have been right and it may be too late to regret the situation. But the policy that I am advocating in this amendment which the House is going to reject, is the only alternative open to Gibraltar. And if the Honourable Member, Major Peliza, says that even if we had the whole of Gibraltar at our disposal we could not make it viable, then by definition we do not have to carry out any studies, or bring any experts, or get any consultants to find an alternative economic study that will make Gibraltar viable because if the whole of it cannot be viable, a part of it cannot be viable, by definition, Mr Speaker, because, in fact, if we have got to plan an alternative economy for Gibraltar purely piecemeal on what is available from time to time, that, of necessity, must be an inferior strategy than one where we have at our disposal the whole of Gibraltar, and we quantify what each part of it was worth and where Gibraltar's economy was adequately compensated for foregoing in the interest of the Western Alliance, whatever it went without. The opportunity cost that I am talking about in the motion must be obvious to anybody that understands the subject matter which has got to be decided. We are subsidising the Western Alliance and not the other way round because, in fact, we are not the owners of our land. The right to our land philosophy seems to be as weak as the philosophy of opposition in the original motion. I hope the Honourable Member when he speaks finally on the main motion, will in fact answer one point that I raised in our opposition to the closure as to whether following what he had to say 12 months ago, that it was maybe, whether it is still maybe, or whether he has now accepted that the answer now is finally no and that nothing can be gained by going back. Because, on the one hand, the amendment of the Honourable and Learned Member, the Leader of the Opposition, that we should appeal must of necessity require that we should think that there is still a chance of the matter being reconsidered. We have had this business before, I think when Mr Restano introduced the Opposition's views in the last budget, he was talking about when the final decision comes. Well, has the time of decision come or not? Because in Parliament in UK they are saying it is the final decision. Because in letters written by Mrs Thatcher she says that it is the final decision. And, certainly, from the way the implementation programme is being handled, because that is what is taking place now, there are a series of steps, the assets are being identified, there are dates for agreements to be signed, for tenders to be sent out, covering the whole of this year about a decision that has not been taken. Given that background, when I am saying that I am totally opposed,

I am saying that I reject that. And I have to distinguish between what I mean by opposed and what the original motion means by opposed, and we do not mean the same thing. You cannot be opposed to something and at the same time be involved in planning the implementation of the thing you are opposed to. This is why I left the Consultative Committee, because the Consultative Committee was not being consulted about anything. It was being dragged into something, Mr Speaker, and I will not be dragged, and I am fairly confident that nor will the people of Gibraltar. Whatever appeal this House may make I think they are making a serious mistake in understanding the mood of the people of Gibraltar. The GSLP will have to take its defeat on this motion but it will continue to campaign on these lines and then the electorate will have a chance to decide how we handle our future.

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

The Hon J Bossano

The following Hon Members voted against:

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

The following Hon Member was absent from the Chamber:

The Hon D Hull

The amendment was accordingly defeated.

MR SPEAKER:

We are now back to the original motion, as amended by the Hon P J Isola. Any Hon Member who has not spoken to the main motion is now free to do so.

HON A T LODDO:

Mr Speaker, in rising to speak on the motion, I will try first of all to be brief, secondly, not to stray from the gist. I

would like to remind the House of a number of very hard and inescapable facts Mr Speaker. The first one is that Gibraltar is a fortress and the reason for the existence of the people of Gibraltar today, and in years gone by, both under Spanish occupation or Moorish occupation, has been precisely because Gibraltar is a fortress. We have heard over the last few years the phrases Dockyard economy and fortress mentality invariably spoken in a derogatory manner. Well, Mr Speaker, I do not feel that there is anything to be ashamed of in having a dockyard economy if you live in a fortress, nor having a fortress mentality if you live in a garrison town. Garrison towns and fortresses have been with us since the time of the Romans, if not before, and it is also another inescapable fact that because of this the base of our economy has had to be one of defence expenditure. And because of this even if we do decide to diversify our economy, which we should do by all means, we must never lose sight of the fact that whether we like it or not, because of our limitations in size and numbers, the defence spending must always present a large portion of our economic base. We should also remember that defence needs will always come first. I am sure they came first in the time of the Spanish occupation as it did in the time of Gibel Traik. Having accepted these things, I don't think anybody can dispute them, we must also accept that as times change so do defence needs. And it is the changes in defence needs with the subsequent cuts in defence expenditure that are ultimately responsible for the proposed closure of the Dockyard. I do not believe that there are any sinister motives behind the closure of the Dockyard. I cannot believe that in a machiavellian plot to drive us into the arms of Spain, Britain is closing Chatham and running down Portsmouth. It might be a fortuitous coincidence for some people, but I do not believe that this is the objective of the British Government. Mr Speaker, I believe that it is also a hard fact that the only way that the closure of the dockyard will be prevented is if we can get Her Majesty's Government in UK to change its defence strategy. To think that we are going to reverse a decision by merely saying: "No, the dockyard will not close" is to adopt the attitude of King Canute. Mr Speaker, I know that some people say that one of the reasons why the Dockyard will have to close is because it is an economic issue, that is rubbish. A Naval Dockyard has never been economically viable. A Naval Dockyard, Mr Speaker, whether here or in England or anywhere else in the world, a Naval Dockyard is an insurance policy for which the country must be prepared to pay. But equally, if a country decides to change its insurance policy then that is it. We must face the fact that the intended closure of the Dockyard is directly related to the defence cuts and they need different thinking in the defence strategy of the United Kingdom. I admit that Gibraltar is completely different to the United Kingdom. If we were to equate the closing of the Gibraltar Dockyard with anything of equal significance for England, we should be saying: "Yes, the closure of the Dockyard in Gibraltar can be equated with the closure of all the Dockyards in England, half the steel works, three quarters of the mines, because as I said at the beginning, our economy is a defence based economy. Now we come to the hardest inescapable fact and that is that we have a big problem and a problem which we have not created but which

has been created for us. We faced a similar problem 14 years ago, again, a problem which we did not create, the closure of the frontier, withdrawal of labour and all the other things. On that occasion the British Government said that they would stand by us, support and sustain us and see that we did not go under. And they did, and they kept their word. And another hard fact is that at the end of the day the ultimate responsibility for Gibraltar's economic and political stability, rests with the United Kingdom. The political stability is directly related to economic stability. It is a well known fact that when the economic structure breaks down you have political unrest. Well, the British Government seems to think that the alternative to the Dockyard is commercialisation. It has not been proved to my satisfaction that that is a viable alternative. I do not think it ever will be proved because we are talking of commercialisation, we are talking of a business venture and in every business venture there is an amount of speculation and an amount of risk. You can have a calculated risk but it is a risk none the less so it will never be proved. Similarly, I will never be able to prove and no one will ever be able to prove by talking about it that it will not be economically viable. But from all the indications one can safely assume that it will not be economically viable. We see what is happening all over the world as far as shipping is concerned. We see what is happening in Spain, in Cadiz, to be more precise where the labour force in the dockyard there has been cut, those who remain in employment have accepted a reduction in wages, the dockyard is being heavily subsidised by the Spanish Government, although you are charged for docking and undocking the firm is not charged whilst the ship is in dock and still they cannot make anything. All these, surely, are pointers that commercialisation will not work. However, I would say that as the onus is on the British Government, we should try and get a commitment from the British Government that if at the end of the 5 years if we play our part through no fault of our own the dockyard is not commercially viable, we should get an undertaking from the British Government that it will continue to put work our way because the way things stand there is nothing at the end of the day to stop Appledore from washing its hands and saying: "Well, that is it, I cannot do any more for you. You are on your own". That, I think, is something which we could ask for. I think most Members of the House will remember the fiasco of the shipping and canning experiment carried out in Gibraltar, where we set up a fishing industry, trapping fish on the eastern side, and canning it on the western side in a factory and when the Spanish Government realised how successful the business was, what did they do? They set up their own fishing traps, three or four miles down the coast and another two miles out. It meant that they collected all the fish. I know I am digressing, Mr Speaker, but it is a lesson that should not be lost. As I said earlier, although we can talk of diversification, for me diversification means more than just Appledore otherwise we are taking all the eggs from one basket and putting them in another. I believe that consideration should be given to other industries in the Dockyard. But, Mr Speaker, as the Honourable and Gallant Major Peliza said, at the end of the day, in the final analysis, the Government is left holding the baby. It is an invidious position to be in but that is why we have a Govern-

ment. At the same time they have been playing the cards very close to their chest. So, Mr Speaker, before I sit down I would like to move the amendment which was mentioned by the Leader of the Opposition earlier on, and I will read it. The amendment is that the motion as amended, be further amended by renumbering paragraphs (1), (2), (3) and (4) to (2), (3), (4) and (5) and inserting a new paragraph, to be numbered (1), and to read as follows: "(1) Appeals to Her Majesty's Government to reconsider its decision to close the Naval Dockyard".

Mr Speaker then proposed the question in the terms of the Honourable A T Loddó's amendment.

HON J BOSSANO:

Mr Speaker, let me say that I have not heard one single word from the Hon Member as to why we should support the amendment and I have heard a number of arguments as to why we should not. Because one of the things that he said was that there was no way we could reverse the decision without getting a reverse of the defence policy in the UK and the amendment says that we should appeal for the matter to be reconsidered which he has just told us we are doomed to failure on.

HON A T LODDO:

Does the Honourable Member then suggest that we do away with that?

MR SPEAKER:

No, let us not have a debate within a debate.

HON J BOSSANO:

I can hardly say he should not do that since that is in my original amendment which has already been defeated. But, of course, in my amendment it is part of a philosophy and the Honourable Member has just rejected that philosophy. He has just told us that we have to understand that there is a change in defence strategy, that the cuts come not through any plot but because of the changes in defence strategy and unless the British Government changes its defence strategy, that is unless there is a change of Government, the Dockyard will not close. In the context of what he has said in support of the amendment, one could interpret that as meaning that he is appealing for us to get a change of Government in UK, which I support entirely. I welcome the fact that the amendment is going to be put because it enables me at least to support part of the motion. I disagree entirely with the original motion brought to the House for the reasons that I have explained, Mr Speaker, I think it is a matter of approach as to how the problem needs to be tackled. I have heard nothing to make me change my mind but I will support this amendment.

HON MAJOR R J FELIZA:

Mr Speaker, I think my Honourable Friend Mr Bossano has oversimplified the position by saying that the British Government has changed the defence policy, therefore there is no possibility of ...

MR SPEAKER:

Mr Bossano has not said that.

HON MAJOR R J FELIZA:

What I am trying to say is that really that is an over simplification in that, notwithstanding there has been a change in defence policy, within that change it is possible to find adjustment. In fact, if I see it rightly, one of the suggestions made by the Trades Council is something like that whereby they want to phase in commercial work into the dockyard. That is one thing that in the light of the amendment and the appeal to the Government, can be considered, I would have thought. I hope that my Honourable Friend is supporting this wholeheartedly.

HON P J ISOLA:

Unfortunately, I was not able to put the amendment myself because I had already put in an amendment which the Honourable Member has already supported. There are people who feel, like my Honourable and Gallant Friend Major Peliza, who seems to be an optimist in these matters, who feels something can be done and I am sure he is going to talk about it. There are other Members who feel the whole process of Government decision has gone so far in the United Kingdom that there is not much chance of getting it reversed and I think my Honourable Friend, Mr Loddó, holds that view and I think others will hold that view. The reason why we move the amendment is to show and identify ourselves with the feeling and the aspirations of people that the decision should be reversed. Our first preference is for a Naval Dockyard, and we move the amendment in the nature of an appeal to the British Government. As I said before, if the British Government reject it to us it does not mean and will not mean the British Government is selling Gibraltar down the river because they have committed themselves to discharge their obligations as far as Gibraltar is concerned and we look forward to the discharge of those obligations.

HON M K FEATHERSTONE:

Mr Speaker, speaking purely on the amendment, I think the British Government has been approached on many occasions from Gibraltar on the question of not closing the Naval Dockyard and we have never been very successful. However, I do not think any great harm is going to be done to go once more and try once again. Sometimes if you knock at a door twenty times and it is not opened, it is opened on the twenty first time. And so we are quite happy to support this amendment. I am willing to do it myself but perhaps the Honourable Mover would like to do it, on

a question of semantics, it does seem that the last few words "to close the Naval Dockyard" are unnecessary because it is then going to read: "That this House, whilst still opposed to the British Government's decision to close the Naval Dockyard, appeals to Her Majesty's Government to reconsider its decision to close the Naval Dockyard". Perhaps he would like to withdraw the last few words and just leave it "Appeals to Her Majesty's Government to reconsider its decision".

MR SPEAKER:

Well, I will put the question, because I do not think that there is any need for debate on this one, as moved by the Honourable Mr Featherstone.

Mr Speaker then put the question which was resolved in the affirmative and the Hon A T Loddos's amendment, as amended, was accordingly passed.

MR SPEAKER:

Anyone who has not spoken to the original motion is free to do so.

HON M K FEATHERSTONE:

Sir, I haven't very much to say. Obviously, as I have just said, we are not going to do any harm by knocking at the door once more. I do think that we must not have our hopes too high of a positive result. I think the British Government has gone very far down the road, especially with its closure of Chatham and its cutting down very drastically at Portsmouth, for it to reverse its decision on Gibraltar. However, we can of course live in hopes and if we were successful in this one more attempt, then I am sure everybody in Gibraltar will be overjoyed. With regard to the full motion as proposed by the Honourable Chief Minister, obviously it is an absolute essential and I think it is realised by the British Government, that the Naval Base in Gibraltar which must be retained and we should press that it should be retained at the highest possible level. It is only, I think, common sense to suggest to the British Government that should we go commercialised they should use our commercial base as much as possible for every type of repair that they can possibly give. Not only so that they have a commercial yard which is capable of undertaking Naval work at any time, but so that western defence does have some other area where its ships can be adequately repaired without having to go all the way back to the United Kingdom. I would like to take issue one little bit with the Honourable Mr Bossano who categorically states that commercialisation is going to fail. I think this is a pessimistic viewpoint. I think it is a viewpoint which is not going to do any good if it gets around amongst the ordinary man in the street in Gibraltar, why go into commercialisation if it is going to fail, you are going to get an attitude, perhaps amongst the actual workers there, that they are going into something that is not even worth consi-

dering. Singapore was faced with a similar situation and they rose to the occasion and the result I think has been that the Dockyard, on a commercial basis in Singapore, is one of the best in the whole of the eastern hemisphere. I think, also, Messrs Appledore took over a yard in Greece which was running at a loss and after 2 or 3 years converted the loss into a not unreasonable profit margin. It would seem that if commercialisation is going to fail, then it can only be based on three reasons. First, that the management is no good and it does seem that Appledore as managers have been successful elsewhere and there is no reason why they should not be here. Secondly, that the workers fail and I am sure the workers of Gibraltar are not going to fail, they can rise to the occasion they have done so before, and if it is something that they fully appreciate, their livelihood and their future and the future of their families depend upon, they will rise to the occasion, they have the skills, they have the will to work, they can make a great success of it. The last one of course is that no ships ...

HON J BOSSANO:

If the Hon Member will give way. One has only got a chance to speak once on this motion. At first we were told that we were not debating commercialisation.

MR SPEAKER:

I think that is not completely correct. I think you have had the chance to speak three times.

HON J BOSSANO:

On amendments, yes. I do not mind if he puts an amendment which will enable me to answer all the points that he is making about the workers, I am quite happy to take him up but if he is going to make assertions about the workers' willingness to work and Singapore and Neorion, which nobody has mentioned before, I can assure him I can refute a lot of the facts that he is quoting.

MR SPEAKER:

Well, those are the rules of debate in any event.

HON M K FEATHERSTONE:

The other thing, of course, Sir, is that no ship should come in. Well, that of course is to some extent the risk that one takes but advice is given to us that Gibraltar is on a shipping route, it is not unreasonable that many ships would come in here for refits where they can save time on their normal journeys rather than if they are based in somewhere like Liverpool and they have to spend 2 days going round to Tyneside, and 2 days back which are wasted time, and this has been put to me by Captains of ships that it is the waste of time going to actual repair or refit yards which makes the whole thing commercially very expensive. I feel sure that we do have a reasonable opportunity to get the ships. I know shipping today is depressed but this is ..

a situation which has its ups and its downs. If we have our commercial yard, if we can convince the British Government to assist us with naval work, to assist us financially by subvention if necessary over the first 5 years, or even longer should it be so required, then when the shipping situation improves as it will because the recessions alternate over perhaps longish cycles, ten or fifteen years, but it should come back, perhaps in eight or ten years time, we will be very favourably placed. The last point, I think, which is a very essential one has already been mentioned but I would stress it once again, commercialisation should be only one of the items that we ask the British Government to help us in insofar as diversifying our economy. If the Government here, as I am sure it will, looks into other possible schemes and puts them forward to the British Government, let us hope that we get the most sympathetic reaction from them and should this require areas in the dockyard which are not needed for commercialisation and can be given up by the naval area as not really necessary and useful to the viability of Gibraltar as a whole, then let them treat it very sympathetically. I think the motion deserves our fullest support.

HON MAJOR R J PELIZA:

Mr Speaker, I will speak on the general motion.

MR SPEAKER:

May I remind you that you must not repeat yourself. You have already spoken twice, provided you have something new to add, by all means.

HON MAJOR R J PELIZA:

Yes, certainly Mr Speaker. In fact, there are many things that I was going to say but I think that we have flogged the horse sufficiently.

MR SPEAKER:

I have no doubt about that whatsoever.

HON MAJOR R J PELIZA:

It is not my intention to drag it on so I will try and come down to what I think are the bare essentials. I agree with the last speaker that one must not go with the impression that it is going to be easy, that we are going to win this battle or anything like that. It is going to be very difficult and perhaps in the end we might come back with a compromise or whatever it might be. But if we are going to get anything out of this we certainly must be hopeful of succeeding otherwise we might as well throw the towel in now. I certainly am hopeful of succeeding and I do hope that the Government will be hopeful of succeeding and certainly I know my Friends are hopeful of succeeding and that is the spirit in which we should go forward. I will say later how I think we should try and get this appeal

done. I do not think it is just a question of writing a letter or anything like that. There is a lot of spadework to be done if at the end of the day we are going to be successful but I will come to that at the end, Mr Speaker. Like the last speaker has said before, I have no faith in a commercial project in Gibraltar. No faith at all. Looking at the state of world shipping, the facts and figures that we see in Europe and all over the world, I think we are starting a business which will see bankruptcies all around us. As a businessman, quite honestly, I would not myself put a penny into that business nor do the consultants nor does Appledore. It is very interesting because I had a letter from the Minister saying that they were being sensible because they were going to put the money soon after they started and I said not only are they sensible, but they are clever because they are going to get money out of it whatever happens. They are getting a fee, they are getting commission so, obviously, if I were one of them I would recommend the project 200%. But you ask the same firm to put some money into it and they have second thoughts. So for all those reasons I am not convinced that commercialisation is the answer and if it has to be done it has to be done because we have no other alternative. This is one of the messages that we have got to convey because the impression in England is now, and I can assure you of that, that we are going to get so much money in other respects that we are not going to feel the pinch of the dockyard. Therefore, for me to be convinced, it is a question of looking at the reports. The reports are not available. I have urged the Government to make as many reports as possible available so that people can speak with knowledge of what they are saying. At the moment if we happen to be wrong it is a shame because we are wasting a lot of time. If those reports prove conclusively that commercialisation is a success we are all wasting our time. I doubt very much whether they paint that picture because obviously both the navy is interested, the MOD is interested, Her Majesty's Government is interested, the Government of Gibraltar is interested. So if there was anything in those reports that would make it clear that it was going to be a success, those would have been published. And if they have not been published, in my view take away the sensitivity of the report, blank that off, bring out the good points, let us have them and we would all agree, we would all be happy and singing and enjoying ourselves on the great future that we have with commercialisation. But the fact that those reports are not made public or those parts of the report are not made public, in themselves is a sign that they are not in any way conducive to a prosperous Gibraltar in the future. Let us forget the economic side, what the economists can do with figures, and believe me they can do a lot of things, the economists. Mr Joe Bossano knows this and he uses them now and again to support his ideas. We all know that. The Financial Secretary does it some of the time, too. And so we go round the table, everybody using the figures to support his case. I have no doubt that that sort of thing is going on now with all the recommendations. But, Mr Speaker, take away the figures now. The actual facts. The situation in Gibraltar. Do we honestly believe, and I am not going to repeat it, that a nation that has been determined for 14 years to sink us as a community is going now to help us in any way in carrying on with a new

project which they can now interfere with? In the past, or even today, the virtue of the dockyard is that it is our economic base, the base from which we are getting money from outside into the community, and it is invulnerable to Spanish interference. But we are going to give that away, and instead we are going to put in its place something which the Spaniards, the Spanish Government, can interfere with. So we become immediately vulnerable. When we were invulnerable before now we are more vulnerable. Mr Speaker, that is above all the figures, whatever they say about the figures, now we are not any longer immune, we are subject to interference. Mr Speaker, we had the speaker here before saying that in Cadiz they had a ship repair yard, which has no business at the moment, or very little and this proves the point that there can be competition from the neighbourhood to an extent that we shall not be viable or if we are going to be viable we are going to be working for a handful of pence. That is not the kind of economy that I am sure the British Government would like to see in Gibraltar. It is not possible that they expect that sort of thing to go on here. That is what I mean by vulnerable. That is the way that I think, Mr Speaker, we can be subjected to a lot of pressure and that is why I say it is no longer just the economic report or the feasibility or viability and all the rest of it, it is a fact that there will be political and economic pressures put on us, and we think we want to avoid that situation if possible. And this is why, in fact, Mr Speaker, if we have to choose something to replace it, it has got to be something that can be assured Gibraltar can exist on without outside interference. I prefer, certainly, if it has to be replaced by something, by something which is diversified, and if one goes under the other will float because in the present world there are times when there are certain industries which are on the rise and others which are on the way down and by not having all the eggs in one basket, Mr Speaker, we have a better chance of survival and in that respect Mr Speaker, I think that it is not advisable. Furthermore if we have to have a commercial dockyard, why should not the British Government themselves run it? Why pass it on to the Gibraltar Government? And so, they become responsible to see that it works. I wonder what they would say to that? Would they then see the Appledore recommendation in a different light? I wonder if the Chief Minister could suggest it to somebody. What would happen then? It has been suggested, has it? Well, fine, this is it, and what is the reply? No, so it is obvious, Mr Speaker, I am just trying to make the point, that it is not as viable as they say. Or are they prepared, not just for the first 5 years, but as time goes by, to counter any subsidy that Spain may be giving to the nearby shipyards. Will they be prepared to carry on indefinitely with the support and sustain policy, regardless of whether the frontier opens or not? Because as far as I know the policy of supporting the sustaining Gibraltar comes to an end the moment the restrictions are up. And we all know that if the restrictions are up at the same time as the dockyard closes, we find ourselves in the most difficult situation of the lot. The Chief Minister said, and it is true, that the closure of the dockyard was potentially catastrophic, that is what he told the Governor when he arrived here, potentially catastrophic, those were the words of the Chief Minister. And in the New

Year's message he said it was a blow for Gibraltar. This we all know, there is no question about it. What we have to do, therefore, and now I come to what I said I would say before, is how do we bring this message to people in Parliament who I know are not fully informed of the situation. It is no use making an appeal to the Government without preparing the ground beforehand. We have to build up support in both Houses of Parliament and when we know that we have that support, then we make our appeal. I think that the British Government will find it very difficult to reject the appeal out of hand. But this is where I think we need coordination and we need a united effort from all the Members of this House and all the bodies in Gibraltar. It needs coordination. As far as I am concerned, the little I can do at the other end I will do, as you can well imagine, wholeheartedly. If we get together, I am convinced that we shall have lots and lots of Members of Parliament both inside the group and outside the Gibraltar group and Members of the House of Lords, who will rally to our cause. I have letters here, I am not going to read them, Mr Speaker, but any Member of the House of Assembly is welcome to see them. They will see the support there is. Mr Speaker, whilst there is life, there is hope, I think the dockyard still has life so let us try and make sure that we can keep it going. And if at the end we can't, through our efforts we shall be able to get a better deal than if we don't do enough. I think that whatever happens, if we make this appeal, at the end of the day we shall get more than if you just sit down at the table, as we are now, and more or less hope for the best in the negotiations going round the table.

HOW A J CANEPA:

Mr Speaker, I found myself very much in agreement with most of what the Honourable Tony Londo had to say. I agree with him as well. There is nothing shameful in the proud military history which Gibraltar has had as a fortress. The only thing is that all that has happened because it suited Britain, and it happens that particularly more recently, as the people of Gibraltar develop their own identity, it also has suited us in the last few decades particularly during this century, and it would continue to suit us that Britain should continue to have the same level of commitment to Gibraltar through defence spending as has been the case up until now. Unfortunately, however, it is my view that in the past Her Majesty's Government has done very little to diversify the economy of the territory that she was responsible for and the people that she was responsible for, just as in fact they did very little to meet the social needs of the people of Gibraltar before the second World War. You now have the instance of what has happened with Development Aid. I think it is perhaps true to describe what we have received as too little and too late. £25 million to be spent on commercialisation by way of capital investment and a naval support programme is fine but there are no guarantees attached that and I am very fearful about what is going to happen, firstly, to the hundreds that are going to find themselves without a job at the end of 1983, whether commercialisation goes through or not. I am very fearful about what is going to happen after 5 years when that naval support programme tapers off but I will come back to

this. My attitude, I think, on the question of the Dockyard is well known and I do not share the optimism of my Honourable Colleague on my left, I think my approach is a much more realistic one. We have been, in the course of this project study team in which the Gibraltar Government is involved in, we are taking the opportunity of testing the MOD and probing them not only with respect to the requirements, to the needs of a commercial yard but also I think that the experience is going to stand us in very good stead for the future. Once this small matter of the transfer of dockyard assets has been sorted out, I have no doubt that we shall have to look very carefully at and step up our demands for the transfer of MOD land. I think that it is perfectly reasonable that the Ministry of Defence and the Services here should have not just essential facilities for the maintenance of the naval base, but I have always defended the need that they also have for adequate recreational facilities. I have always said that to make a strict proportional comparison as between the number of Gibraltarians and the number of Services and expatriate families is not a valid comparison because invariably the United Kingdom Services families and expatriates are young families and therefore they may need proportional rather more recreational facilities than what the people of Gibraltar as a whole need. But what we cannot allow, Mr Speaker, indefinitely, is a continuation of the state of affairs that anyone will witness if he looks down, for instance, from Bleak House down on the Nuffield Pool, and I am not just speaking specifically about the Nuffield Pool, but the vast area that there is between the Nuffield Pool and the western seafront, a huge area for a select few. That cannot be allowed to continue. Neither can we have a few select expatriate families at the Rosia Swimming Club with a few local Civil Service families who have also been able to become members, enjoying that bay, Rosia Bay, which has got great touristic and economic potential. This is something which we are going to have to very seriously look at. I hope that when the dockyard closes down at the end of this year, that the dockyard families who are now using it, I hope they will not be replaced by Appledore expatriate families, I would not want to see that. We have not been, up until now, exercising a great deal of pressure on these matters, Rosia Bay, the other area of the Nuffield Pool, or other areas along the Western seafront for the very simple reason I think that it is not realistic to expect in a closed border situation that there will be enough prospective developers to come to Gibraltar and invest their money here. Look at the experience we have had with Parsons Lodge. But once the border opens and if the development of tourism is going to become perhaps the only other viable and reasonably guaranteed support of the economy, then there are many areas that we are going to have to fight the Ministry of Defence over and we will not be able to afford to lose on that one. Of course we want the Ministry of Defence to remain here, there is a coincidence of interests, but the Ministry of Defence does not appear to have due regard for the requirements of our economy and that is why they cannot be the arbiters of what is required. That is why the appeal will have to lie somewhere else. I am very happy to be able to tell the House something which I think Honourable Members have heard before, that the local Service Chiefs are helpful. We have got a new Deputy Fortress Commander and a New Flag

Officer, Gibraltar, but I think the indications are, particularly in the case of the new Flag Officer, Gibraltar, who is more directly concerned with the matter, that he is going to be as helpful as his predecessor, if not more so. There is no problem in that respect. The problem lies in London. The problem lies in Whitehall. And the problem is compounded by the fact that there are three Departments of State in London who are intimately concerned with the affairs of Gibraltar. The Foreign and Commonwealth Office, on the one hand, who have been particularly helpful since last September on the question of the dockyard and on the question of Development Aid, the Overseas Development Administration, and the Ministry of Defence. And the Ministry of Defence are, perhaps, the most if not the most difficult department in Whitehall. But, as I say, I have serious doubts and I have serious doubts about the viability of the dockyard for one main reason and that is the very serious recession that there is in world shipping and so we find that no matter what we try to do in a commercial port to attract shipping, by waiving tonnage dues for ships calling here for bunkering, by trying to provide more water, the fact of the matter is that as the years go by, the last three or four years, fewer and fewer ships are calling at Gibraltar because there are fewer and fewer ships that are active and there are more and more ships out there in that Bay waiting for order, seventeen over the weekend which is colossal number of ships lying idle. That I think is the nub of the problem because I have no doubt that given the right working conditions and the right salaries which if a commercial operation were to be viable, and who is to say that wages and salaries might not be higher than what they are now, I have no doubt that the local labour force has the extertise and the pride to rise to the challenge. But it is very difficult to rise to a challenge if you foresee that after 5 years it might be a case not of more people being employed, which is what taking up at their face value the Appledore proposals would mean, that after 5 years or so more people would be employed there than is the case now. But people are not that optimistic and what they can see at the end of 5 years is a commercial yard having to shut down because there is no longer support from Her Majesty's Government and because the Gibraltar Government will certainly not be able to support it. So the imponderable, as far as I am concerned, is the situation as far as shipping is concerned. The Honourable Mr Bossano, however, earlier this morning told us that a commercial yard just cannot be delivered and it cannot be delivered because the workers involved simply will not cooperate in that venture. I accept what the Honourable Mr Bossano says, he is very close to the people there, and I am prepared to accept that that is the case but the prospects therefore are, if the project study team were to say that it is viable, if the British Government were to accept that, if the Gibraltar Government were to accept that, the prospects against that background of saying no to Appledore are that surely the yard will be closed at the end of 1983, and no doubt what I can envisage happening then is that there will be a sit-in of dockyard workers there. But what then? What is going to happen then? I sincerely wish the Trades Council every success in the appeal that they have made to Mr Heseltine but I think that if naughty Nott set Gibraltar a knotty problem, I certainly cannot see the present Secretary of

State, Mr Heseltine, who like his boss has acquired a reputation for toughness, being any more helpful and unravelling and knots of the problem for Gibraltar. The Chief Minister said in introducing his motion that in Gibraltar we command a great deal of support right down from the Prime Minister. The Prime Minister herself has intervened on one or two occasions recently but she is also a tough cookie and she is also the chairman of the Overseas Defence Committee which I think have been the people who precisely have taken the decision to close down the dockyard. And as yet I am not aware that anyone has taken on Mrs Thatcher and defeated her so I wish the Honourable Mr Joe Bossano, for the sake of all of us in Gibraltar, the best of luck. If he is going to take her on from June onwards, I hope that he will be successful because if he isn't the prospects are extremely bleak and we are heading, I think, into the kind of situation that the Chief Minister - I think it was the Honourable Major Peliza reminded us about what the Chief Minister said when the new Governor arrived - the potential that there is in the closure of the dockyard for a catastrophe, and not just an economic catastrophe but a constitutional and a political catastrophe for Gibraltar. I think if that is the way ahead, Mr Speaker, I think that we are heading for chaos and out of that chaos I do not know what is going to come. The Honourable Mr Bossano spoke about the mood in Gibraltar changing, that it is changing. I agree that it is changing. You have seen indications of that on the Government benches. The Honourable Major Dellipiani speaking very eloquently from the heart, because that is the feeling that he has as a Gibraltarian, and he is echoing in this House that feeling, that attitude which a lot of people in Gibraltar have. But, is there unity and is there coincidence of views in Gibraltar as to what the way ahead is? We know what our ills are, we do not particularly like them, are we sure as to how we can overcome them? Is there full awareness, I would ask, amongst the people of Gibraltar, generally, who are not directly affected even now, as to what the closure of the dockyard actually means? Do people employed elsewhere in the public sector understand and realise what it means? Do those involved, for instance, in education, understand what it means for the educational service if the Government cannot balance its books? And so on, those in the medical services. Is it acceptable to people that we should have to retrench in these services which I for one take a great deal of pride in? So the prospects that I can see, Mr Speaker, at the end of 1983 and the beginning of 1984 is of more unemployment, a situation more serious than what is anticipated at the beginning of a commercial operation. A situation of another 1000 people unemployed over and above the 600 that there already are because Mr Bossano tells us that if the choice lies between taking employment with Appledore or unemployment benefit, the choice is one of unemployment benefit. Unemployment benefits will be paid for three months.

HON J BOSSANO:

If the Hon Member will give way. I said that people would put Appledore above the dole and behind everything else and that they would only go to Appledore until they could go out and get another job, and only go and work for Appledore if they had to

chose between being on the dole and being in Appledore, if it is that Appledore is accepted and established, but that is hardly the basis upon which a successful commercial enterprise can be built.

HON A J CANEPA:

I am grateful to the Honourable Member because I misunderstood him because the prospect otherwise would have been that in a few months after that I think the Gibraltar Government's financial position would have been seriously undermined through having to pay supplementary benefits to hundreds of people. So I think, Mr Speaker, we have a very difficult path to tread in Gibraltar in respect of two matters. In respect, first of all, as far as the motion is concerned, as to the need that there is to make the Ministry of Defence conscious and appreciative of the essential requirements of Gibraltar because committed as we are to the maintenance of a Naval Base, we will have to be more demanding and more zealous in fighting for what we consider to be essential for our economic survival once the mainstay, once the main support of the economy has been knocked down by the closure of the dockyard, and over and above all that we have got to think very deeply as to what the prospects are in the second half of 1983 and in 1984, if the kind of scenario that I have described and which is my understanding of what the Honourable Mr Bossano has told the House this morning, is what is facing the people of Gibraltar. Where it will all end if we go down that road I do not know and this is why I would like Members of the House to get together and discuss this problem, and one of the matters that we are voting on is the amendment which the Opposition introduced, full concentration I think needs to take place not just about the commercialisation of the Dockyard, but about the wider spectre of ruin and chaos which faces Gibraltar if that road leads where I think it will lead.

MR SPEAKER:

I will now call on the Chief Minister to reply.

HON CHIEF MINISTER:

Mr Speaker, whatever the differences I am sure at least on this the Honourable Mr Bossano will agree, that it has been a much more fruitful exercise than to have gone for 10 minutes on television, this exercise that has prompted his challenge to go to television which has made me bring this motion here. I am very pleased that I have brought it, for that reason or any other, because we are dealing with matters which go to the root of our future and which must be dealt with and people's position cleared. I said at the beginning when the Honourable Leader of the Opposition moved his first amendment that I would not speak to that amendment I would speak generally, and my Colleague on my left has touched on it and of course what is now sub-paragraph (5) "considers that full consultation should take place between all the political parties represented in the House of Assembly before a final decision is made on the commercialisation of the Dockyard", is fully accepted by the Government and in fact it was

never the intention or indeed, I wonder whether we have the power, to go it on a commercial basis purely as a Government without the consent of all the others, if only because of the legacy that that would leave behind if there was no agreement. There may have to be a consensus or there may have to be a parting on the ways but at least everybody should consider that when the time comes. And this brings me to another point which I think ought to be cleared, and that is about the question of the availability of reports. There is not one sole document that either deals with the dockyard or there is no document that says that the dockyard commercialisation is the cure to the evil, that is not so. So much so, that there is now this project study and it has been made clear both in Gibraltar and in London, and Honourable Members who follow what is said in Parliament, clearly stated that both the British Government and the Gibraltar Government have not made up their minds yet as to the viability of the commercialisation of the Dockyard. What is now being done is a process of study and consultation and it will be the outcome of that where the meat will lie and where the judgement will have to be exercised whether what is the final result of those consultations make it viable or not. If we are advised that it doesn't or we are advised that it does, then it is the spectrum of that that will have to be considered when all the facts are available which are not available now. Despite whatever Mr Bossano may have said they may have said: "If we agree these are the timings". Of course, any project must look ahead theoretically as to what is to happen but there are the hard facts that have to be found which have not yet been all identified otherwise we would not be having these broad meetings with representatives of all sections, not only of the Foreign Office but even within the Ministry of Defence the various sections affected. It is a very serious matter and I would like to say in support of what my colleague has said, that it has been a decision at the highest possible level, (a) to see whether it is a viable proposition, apart, of course, from having been the result of the highest possible level decision of saying that the dockyard was no longer necessary in the new defence strategy. The highest, the top decision to look at the viability of a commercial dockyard arises out of a similarly high decision of saying that in the new defence strategy the dockyard is no longer necessary for naval purposes in the sense that it is now. These are the matters which we will have to come to consider and of course it was necessary and perhaps it is to be expected that that might take a larger part of the debate and that other matters of equal interest have been brought up but I must bring back the debate to the purpose of my motion and that was for this House, whether the Honourable Member agrees with it or not, but at least that this House should have an opportunity of discussing this question of compatibility if in fact it is decided after all the studies are made that there is a chance of a commercial Dockyard being made viable, that it is desirous of the Gibraltar Government, it is desirous of the people of Gibraltar that the Base should continue. What my Honourable colleague on my right, Major Dellipiani, has said and I agree with the description of Mr Bossano that it was more the heart of the Gibraltarian than a politician. I accept that, not that the heart of a politician is different from the heart

of a Gibraltarian if the politician is a Gibraltarian. But sometimes we have to measure the matters that are said. There is, of course, and I have always said this, and my colleague who has just spoken, Mr Canepa, has just mentioned it, I always say it, too, because I think it has to be said. Whereas we have not got the muscle, as the Leader of the Opposition was rightly saying, to take on the British Government which is what it would be if we were to take the view of the now defeated amendment, or in fact we would have to take on the NATO nations, not just the British Government, the whole of the NATO nations. Whilst we have not got the muscle to do that, it is also true that there is a considerable amount of coincidence of interests with the British presence in Gibraltar together with the interests of the people of Gibraltar, and I think in fairness to the higher echelons of the establishment in the Services even the politicians, they make no bones about it, so that in fact if they wanted to drive a hard bargain they might represent that they are not interested and that they are only here at our beck and call. But they do not do that, they tell you it is essential. Chiefs of Defence Staff, visiting brass from all services, and you have even Admiral Crowe, the Supreme Allied Commander, Southern Europe, saying how important Gibraltar is. So that in fact they are not trying to kill us and say we are there because we want you, but it is also a hard fact of life that Britain is going through a recession, a very hard one, they are going through very difficult times to try and see whether they can bring the economy up, and we are brought into this morass and the closing of the dockyard for the same reasons, it is part of that morass which has brought about also the cuts in the Overseas Vote, which has had the result on us on that. Of course when they say that Development Aid comes very short of what one expects but I also have friends in England who say: "Having regard to the difficulties that we go through here, you chaps are looked after well!" They say this looked at from London which is very different to looking at it from Gibraltar. And in that respect I think that the money, for what it is, is good and necessary. Perhaps not as good as it should be but it is also, if I may say so, a symbol of the continuing interest. It may not be that the world can revolve around Gibraltar and that Whitehall is not thinking all the time about Gibraltar. But I think that having regard to the circumstances of the case, of the situations in the world, I think that due regard and respect is shown for the people of Gibraltar in a general way. That does not mean that we are going to get everything we want, but in a general way. I think the will of the British Government to invest a big sum of money if that is necessary and viable in the Dockyard is the best indication of their continuing interest. What would have been the alternative? The alternative would have been grants-in-aid which I made quite clear they could choose anybody they wanted to have the territory run on grants-in-aid. I would not be a party to that because I would not want to have to ask London every time you wanted to buy a washing machine, or a Hoover, or a typewriter, or anything. I know because previous Financial Secretaries have been in territories where there have been grants-in-aid and I know the very strict restrictions that apply to grants-in-aid and how the territory has to pay the first amount of surplus money towards the first

grant and not for their benefit even if they increased that and that would be disastrous. We have never been grant-aided. We have always been able to fend for ourselves, and reasonably prosperously, and had it not been for the acts of other people over which we have no control, we would have been able to carry on whatever changes there might have been in the pattern of the defence, to have carried on earning our living as we have been earning, perhaps less prosperously but nevertheless certainly at a higher standard than those around us. Earlier in these proceedings, Mr Bossano referred to the veto of the Lisbon Agreement. We have no veto of the Lisbon Agreement but, equally, we ought to realise that the right that the British Government have given us to determine our future is also limited, necessarily limited, and that is that we have to either go it with Spain or go it with Britain. There is no alternative. Go it alone we can't, we wish we could. Mr Speaker, I commend the motion.

Mr Speaker then put the question in the terms of the amended motion which now read as follows:

"That this House, while still opposed to the British Government's decision to close the Naval Dockyard -

- (1) appeals to Her Majesty's Government to reconsider its decision;
- (2) considers that it is in the interests of the Western Alliance of the free world generally, and of Gibraltar itself that the British Naval Base at Gibraltar should be maintained;
- (3) endorses the view of the Gibraltar Government that, in the consideration of the proposals for a commercially-operated ship-repair yard, full regard should be had to the essential requirements of the Naval Base; and
- (4) trusts that, conversely, the Ministry of Defence and indeed the British Government as a whole, will have full regard -
 - (a) in the consideration of such proposals, to the needs of such a yard should it eventually be agreed by all concerned that a commercial operation would be feasible and viable; and
 - (b) to such other needs as may be put forward to the Ministry by the Gibraltar Government in its efforts to diversify and strengthen the economy generally in order to offset the effects of the Dockyard closure.

- (5). considers that full consultation should take place between all the political parties represented in the House of Assembly before a final decision is made on the commercialisation of the Dockyard".

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

The Hon A J Canepa
 The Hon Major F J Dellipiani
 The Hon M K Featherstone
 The Hon Sir Joshua Hassan
 The Hon A J Haynes
 The Hon P J Isola
 The Hon A T Lodd
 The Hon Major R J Peliza
 The Hon J B Perez
 The Hon G T Restano
 The Hon W T Scott
 The Hon Dr R G Valarino
 The Hon H J Zammitt

The following Hon Members abstained:

The Hon J Bossano
 The Hon R J Wallace

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
 The Hon D Hull

The motion was accordingly passed.

The House recessed at 5.30 p.m.

The House resumed at 5.55 p.m.

BILLS

FIRST AND SECOND READINGS

THE TRADE LICENSING (AMENDMENT) ORDINANCE, 1983

HON A J CANEPA:

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

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

SECOND READING

HON A J CANEPA:

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

Mr Speaker, this Trade Licensing Bill is designed to rectify some anomalies in the Legislation, dealing really mainly with two matters, the question of dual licensing and that of cancellation of licences. Dealing first with the question of dual licensing, the present position is not entirely satisfactory where a person is required to hold another licence under any enactment which is specified in the first Schedule of the Ordinance in addition to a Trade Licence, and the enactments that I am referring to in the third Schedule of the Ordinance, Mr Speaker, are under the Licensing and Fees Ordinance there are a number of licences, manufacturers licence, wholesale, wines, merchants licence, full wine merchants licence, a beer merchants licence, a grocers wine licence, a taverners wine licence, a tobacco licence and a bakers licence. Secondly, Mr Speaker, under the Firearms Ordinance, a firearms dealer. Thirdly, under the Market, Street Traders and Peddlers Ordinance, persons who are trading from the public highway. Under the Petroleum Ordinance, a licence to sell petroleum, under the Wireless Telegraphy Ordinance, radios, televisions and other transmitting and receiving apparatus. And, lastly, under the Medical and Health Ordinance 1973, in respect of medicinal products. The Authority at present, Mr Speaker, will not withhold the issue of a trade licence by reason only of the fact that some other licence or permit is required and what Clause 3 of the Bill seeks to do is to regulate the procedure in order to ensure that applicants in such cases will seek the appropriate permit or licence before they apply for a trade licence. Secondly, Mr Speaker, the question of cancellation of licences. At present, action to cancel a licence can only be taken when the business or trade has not been carried on for a period of 12 months or two years respectively. Thus some

licencees have renewed their licences even when they are known to have vacated the premises which are specified in the licence. It is suspected that most of these licences are renewed for sale to third parties. And in addition to making it an offence to sell or barter a licence, provision for which is made in Clause 2, the amendment will give the Trade Licensing Authority powers to cancel the licence if the premises have been vacated after giving the licence holder the opportunity to be heard. The vacation of the premises, especially when those premises are the subject of a new application for a licence by another person, is in itself regarded as a sufficient reason to cancel the licence because the basis for holding the licence has gone. Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

I have some doubts about some of the proposals in this Bill. The new Section 3 I think is fine, there is no problem. I am a bit concerned about the question of a person who enters into an agreement for selling a licence shall be guilty of an offence because in effect most of the transactions that I have come across involve the selling of a licence. For example, if somebody is trading in a shop and holds a licence and comes to an agreement with somebody else to sell his premises, or to sell the lease, or the business or whatever, he is in effect also selling the licence, and then what happens is that nobody is interested in buying a lease of a shop for example, if he is not also going to be able to have the licence. So it seems to me that as drafted, this is a very, very dangerous provision. That is number 1. Number 2; if somebody can sell a lease, somebody can sell a house, somebody can sell a taxi, does this include a taxi licence? If somebody can sell a taxi, somebody can sell anything, a practice, why cannot they sell a licence, Mr Speaker? I am not clear on that and I know it is quite a commercial practice now to sell licences, usually with premises, I do not see the danger or the evil in somebody selling a licence. I agree the Trade Licensing Committee can say I can have a licence for premises in say, 210 Main Street, Gibraltar. The landlord wants the premises for himself, pays me the compensation, and I have to give it up, and I am left with a licence but without premises so I have to look for a place to go there, to take them to the premises. Really, the Trade Licensing Committee, if the landlord then applies for a licence in those premises, it will be up to the Trade Licensing Committee to decide whether the needs of the community in that area allow for this licence. This is one of the risks anybody who gets premises without a licence has to run and that includes the landlord or anybody else. I have got experience of a case of Section 4, a man who was chucked out by a landlord. A company had a licence in respect of those premises and got his compensation and he has got a licence but he has not got

premises, not because he does not want to trade but because he wants to find some other premises. So I think that particular section also requires some amendment. I see the problem that the Minister has related to, and that is that the existing law says, if you do not use a licence for 12 months or something then on notice it can be rescinded. Well, even if the man has renewed his licence, surely, if he is not trading from the premises to which the licence applies, even though it has been renewed, under the present legislation the licensing authority can cancel it. All I would like to be written into here if it is found to be necessary, is a provision that the licensing authority cannot proceed to take action to cancel the licence for a period of time after the premises have been vacated. In other words, I would think 6 or 12 months Mr Speaker, then by all means give the chap a chance who may have been chucked out of his premises to find some other premises. I don't think there should be difficulty in meeting that objection. The only principle that troubles me in that Bill is this question of making it a criminal offence to sell a licence. Perhaps it should be couched in a different way. What happens if somebody has a licence, the company has a licence for premises and just sells the shares. Somebody buys the shares because he has got the licence, it is the same thing, surely? Why propose something that can be easily circumvented if any thought is given to it. I would have thought to let the law of supply and demand, be the guiding factor. I find it difficult to see why selling a licence should be an offence. You have got the tavern licences, for example. How many bars change hands regularly and what is being sold, really, is the tavern licence as well because it attaches to the premises. If they want the licence for some other premises you still have to get consent from the licensing authority to move it from one premises to another so is that provision necessary at all to make it an offence. What is the reason for making it an offence in this case? But on the other one, Mr Speaker, I do think that a licence in respect of premises vacated should not be cancelled for at least a period of 6 or 12 months to give the chap an opportunity to go somewhere else if it is vacated through no fault of his own. Then we must not forget the fact that under the law as it stands now, a licence in respect of premises can be transferred to a company that takes over the premises, it cannot be refused. It just seems to me that this business of selling a licence just does not fit in into the general picture or into the normal commercial practice that I detect goes on with which I see nothing wrong.

HON CHIEF MINISTER:

I think, Mr Speaker, that the clause has been inserted as a result of representations made by the Trade Licensing Committee in connection with some problem that they had with the transfer of a licence to a liquidator for the purpose of winding-up proceedings. The transfers are compulsorily allowed under section 7(iv)(b) the indications are that trading licence are treated as assets and sold and that recent cases have revealed that the provisions can be abused. I think that perhaps the

answer when we come to Committee might be to seeing the case of a licence without premises, selling this licence for consideration without premises after a period of time on which no business has been carried on.

HON J BOSSANO:

I think, Mr Speaker, that there has to be a stronger case made for the changes that are being suggested because it may be that because of one particular incident in trying to put one thing right we are putting a lot of other things wrong. Even the last point made by the Honourable and Learned the Chief Minister about the premises, let us not forget that a lot of licences are not attached to premises. There has to be a registered address but there does not have to be necessarily an address from which the business is operating. That is constantly coming out, for example, where it is a licence to do repairs and things like that there does not have to be premises so what happens in those cases, there are no premises involved, people are working on their own from their home address which is a registered address of the business and there are a lot of small businesses which are one and two men jobs and they build up a goodwill. The only way the goodwill can be translated into something in a situation like that is because perhaps since there is a limitation on the number of licences, someone wanting to enter into the field cannot enter into the field, somebody wanting to get out passes his customers and the licence to the newcomer so it certainly requires a great deal more thought.

HON CHIEF MINISTER:

We propose to look at that point at the Committee Stage. The rest, I understand is acceptable.

HON ATTORNEY GENERAL:

Mr Speaker, there are three points I would like to comment on on this Bill. One actually arises not really directly from the Bill but I do want to make mention of it. Whether or not it is desirable to make it a criminal offence to restrict dealings in a licence, I would just like to say this because I think it might be useful when one comes to consider in Committee what should be done. There is, I think, a point of view which is on these lines that this is a licensing scheme to control trading but it is not necessarily and this is the matter I think is a matter of policy, it does not necessarily follow that because you set up a statutory Licensing Scheme you should enable that scheme or licence created under that to attract goodwill. There may or may not be reasons for saying we have the statutory system of control but we will divorce it, as it were, from any other elements of dealing on the goodwill on the goodwill of the real asset, the goodwill of the business and that I think is a point which members may want to consider when coming on to the question whether or not this provision should be retained. So far as the enforceability of it is

concerned, the point has been made and I think I would agree that in practical terms it will not always be easy, in fact it will often be difficult to enforce it but I do think speaking just to that point that there is purpose if one decides as a matter of policy that one doesn't want to allow dealings in licences, there is purpose in prescribing in law because even if it is not always effective I think the law does have a discouraging effect on some people, I wouldn't want to seem too naive on this but I think there will be some people who will not break the law, there may be other people who will. But as I say if it is decided that there is a need to such provision then I see some point in having it even though it might not be that easy to enforce it. If I can come to the second point that was taken which relates to clause 4 of the Bill. The scheme of the Trade Licensing Ordinance as I read it, is that a licence is issued for particular premises and if in fact the person to whom the licence is issued does not have his business in those premises for whatever reason, his being able to hold the licence would seem at first sight to no longer be in accordance with the scheme of the Ordinance because it is quite explicit. Well, let me say even though I cannot quickly find it that there is no doubt at all that the Ordinance says that a licence attaches to certain premises. Section 17 of the Ordinance as it now stands, sorry, it is 6 and 20, of the Ordinance, already contains provisions which enable a licensing authority to review a licence and by review I mean they enable the Licensing Authority to consider whether the licence should remain. One such provision is where the business is not in fact being carried on for 12 months, there I can see a point in having a time to go by because there may be reasons why the business hasn't been carrying on for the time being. The second one relates to trade which of course is dealing in goods and in the case of trade they can review it if the trading hasn't carried for two years and again I can see the point of allowing a period of time to elapse. But it does seem to me that if one of the basic considerations in the Ordinance, namely, that the licence has issued for these premises no longer exists, then to me it is not necessarily objectionable at all and in fact I think it is quite a valid point of view which could say in that situation the licensing authority may review the situation immediately. I appreciate that there may be cases where the businessman has a dispute with his landlord but I would draw attention to two qualifying factors. The first is that this is discretionary, the licensing authority may review the licence and decide to cancel it. The second one is that the licensing authority must give the licensee the opportunity to be heard so that the licensee could come forward and say: "It is true that I am no longer in these premises but I have a dispute going on with my landlord in which I think right is on my side and therefore I would oppose the cancelling of a licence at this stage."

HON P J ISOLA:

If the Honourable Member will give way. It is also the scheme of the Ordinance to allow, subject to certain conditions, the

transfer of a licence from one set of premises to another and the licensing authority can in fact refuse that transfer so that it is not just in the scheme of the Ordinance that the licence attaches to premises, it is also within the scheme of the Ordinance that a licence can be transferred from one set of premises to the other and the Licensing Authority has its opportunity in that situation to refuse it, but to give the licensing authority a right to step in as soon as the premises have been vacated would seem to me to give them more authority than is desirable.

HON ATTORNEY GENERAL:

I take the point that is being made. I still think there is some difference between the question of whether the premises are still held and the question of whether the business has paused for a time but I take the point that is being made. The other point of course is that there is a procedure which will apply to this provision as much as to the existing provisions in the Ordinance for the hearing of an objection or representations against the cancelling of a licence, I would just draw members attention to it, it's subsection (3) of Section 20. The other matter which strictly speaking, Mr Speaker, is incidental to this Bill but if I may take the opportunity to mention it. During the second reading debate or it may have been the committee stage of the last House of Assembly when the Trade Licensing (No 2) Bill, 1981, was being considered, the Honourable Mr Bossano made a point that the transitional provisions would not be applicable and there was no need why they should be applicable to any person who already happened to hold a trade licence as at the date that Bill came into effect, Mr Speaker. I demurred at the time and in point of fact I looked at the point and I indeed was forced to look at it because a case came up which was quite a good test for the matter, and I would agree with respect with them that because of the extended definition of trade, and I take the point fully now, and it may be a useful opportunity to say that anybody who did hold a licence before the commencement of that amending Ordinance would not need to come back again and apply for a further licence and this is the advice we are giving to the Trade Licensing Authority. Of course it would only apply if he was importing goods of the same kind as are specified in his licence there would still in theory be a need for a person who started importing prior to the Ordinance and didn't have a licence, to come along and apply for a licence but members may want to reflect on the fact that it is a little bit difficult to imagine somebody importing and not dealing with the goods subsequently by commercial transaction.

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

HON A J CANEPA:

Mr Speaker, I beg to give notice that the Committee Stage of this Bill be taken later in these proceedings, certainly not today, perhaps tomorrow.

THE LICENSING AND FEES (AMENDMENT) ORDINANCE, 1983

HON A J CANEPA:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Licensing and Fees Ordinance (Cap 90) be read a first time.

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

SECOND READING

HON A J CANEPA:

Mr Speaker, I have the honour to move that the Bill be now read a second time. Both the Financial and Development Secretary and I have received representations from local suppliers on the question of the hiring for profit of pre-recorded video cassettes and as a result of these representations Government have considered that the whole matter should be regulated. The legislation that we are bringing to the House therefore is mainly aimed at protecting consumers from badly transcribed local reproductions by requiring dealers only to hire original video cassettes. The licensing policy is intended to be liberal in that all dealers operating from business premises will be licensed for an annual fee of \$25 and it will be in the licences that stringent conditions will be imposed to ensure that only original video cassettes will be hired. The conditions are intended to be:

- (a) that the business is to be carried out only in the authorised premises to be named and therefore licences will not be issued to businesses operating from Government-owned dwelling houses and flats.
- (b) only imported pre-recorded video cassettes will be hired.
- (c) on importation all invoices will bear a certificate that the importer is authorised to hire by way of business all the cassettes listed in the invoice and it will be the Collector of Revenue who will stamp with a revenue stamp all video cassettes imported into Gibraltar and, finally, the licence will also make it clear that the making of copies in Gibraltar is prohibited.

In this respect, Mr Speaker, at Committee Stage an amendment will be moved by the Attorney General to cover the case where someone makes a recording from a TV image during a television broadcast of a film or other programme and hires that tape for profit that matter will be covered in committee. I think, Mr Speaker, I should also mention because it is pertinent to the matter, that we are watching carefully the action which is being taken in the United States and in the United Kingdom to deal with the whole question of pirating. I think the result of the action to be taken in both these countries should mean that it will not be necessary for us in Gibraltar to make any incursion into a field where enforcement could be a very difficult business for us. I repeat, Mr Speaker, that the approach that we are taking is mainly from a consumer angle to ensure that the consumer doesn't get a very poor copy which is a bad reproduction of something which has been recorded here locally and, secondly, too, I would say regulate rather than control the business of hiring video cassettes. It is a business which has proliferated somewhat of late and I think it is a matter that needs to be regulated. We have had complaints about some people who are dealing from Government premises, it has been difficult if not really been impossible to arrive at any formula for putting that matter right by way of a higher rent or anything like that and the answer, I think, is not to issue a licence where the would-be authorised premises emanates from a Government flat or dwelling. Mr Speaker, I commend this Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, in speaking on the merits of this Bill I think I will have to declare an interest and I won't be voting at all on the Bill but I think the House may be interested in the knowledge and in the information that I have with regard to video piracy with which I have been professionally involved. I have, in fact, Mr Speaker, been involved in several actions in the Supreme Court on behalf of the Society of Film Distributors in London and the Motion Picture Association of America aimed at obtaining injunctions against businesses and firms that are dealing with pirated copies of films. The question of copyright, Mr Speaker, is quite a complex problem because there are different kinds of copyright, there is the copyright of the man who originally makes the film, Metro Goldwyn Mayer or whatever, and then you have a stage where the man who does the film in the cinema gets paid and then a pirate copy is made and it is easy to prove in those cases that it is a pirate copy because the copyright has not been released for video reproduction in video and therefore that is quite simple. Where the problem arises is when the film company itself has in fact sold the video rights to a distributor and then the conditions on which he has sold the video rights may be limited or may be unlimited

and then that man may then sub-sell his rights to somebody else and that causes problems. The area I am worried about and the problem that I would like to pose is that because it is a very complex matter I question whether it is wise to branch off on our own interpretation of copyright or our own procedures for this. In the United Kingdom they made an amendment to the Supreme Court Act in England which deals with the question of grabbing pirate copies or suspected pirate copies of videos which can be quite effective with the amendments that have been made and there is also now a Bill before Parliament which is expected to go through where the penalties for video piracy have been increased very substantially because it is such a flourishing trade, Mr Speaker. It is amazing, it is spread all over England and of course in Gibraltar we know how many video clubs there are, how many video films there are out and I think very few people know which are pirate copies and which are not. Some are obviously pirate copies because they are very bad copies. But in actual fact people do not realise that possibly a good number of the ones that appear to be clean are also pirate copies but for other reasons because the person who is selling it didn't have the video right to it. Mr Speaker, the only problem that I see with this Bill, but I have listened with interest to what the Minister said about the importation, that it will be the Revenue who will look at the importation of video films. The problem I see is that it is comparatively a simple matter for somebody to buy from a wholesaler in England a video film and that wholesaler may have the right to sell video films but in England not in Germany, or in France, or in Gibraltar. The person who buys from England therefore buys from his wholesaler who assures him it is OK, it is alright, he can buy he can show it. He brings it to Gibraltar, perfectly good video film, quite obviously a genuine copy, put it that way, and then shows it in Gibraltar and then he is prosecuted because it is discovered or somebody says "That man has no right to sell that because the video rights in Gibraltar are held by somebody else", for example, and these are the sort of problems that I think could arise depending on the copyright that has been given out.

HON MAJOR R J PELIZA:

If the Honourable Member would give way. The purpose of that individual who buys in UK to see it himself in his own house. I think that there is a difference between buying for himself or for hire.

HON P J ISOLA:

Oh, yes, for hire. There are some video films which can be bought, and if anybody has bought them, I have, especially for my grandchildren of Mickey Mouse and things like that, and the first thing it says on your screen is that this is not for public entertainment, it is only for a private show because the copyright depends on the actual contract that has been drawn up by whoever grants or releases part of his copyright. There are all kinds of different contracts that can be made and I think that it is very easy for somebody innocently to purchase a video film from a reputable wholesaler and pay for it, import

into Gibraltar and then under the proposed law if somebody were to make a complaint that it is a pirate copy, not an authorised copy, then that individual from the way the Bill is drafted, it would be his responsibility to prove that it is not a copy. That is, I think, going to be a very difficult process and an onerous process for a defendant. If we are going to make it a criminal offence, to hire in an unauthorised manner a video film, surely it should be the prosecution that proves that it is a pirate copy. It should not be the trader or the video club's responsibility to prove that it is authorised because that defendant may get up in Court and say "Well, I bought it from John Smith Limited of London who are wholesalers in video films, I bought it from him". And the Court might say "Yes, you may have bought it from him but you prove that he was entitled to sell it to you for selling in Gibraltar, or in France or anywhere else".

MR SPEAKER:

Without wishing to interfere in the debate, is that correct, is it not for the prosecution to prove?

HON P J ISOLA:

As I read 29(c), "It shall be a defence in any prosecution for a contravention of sub-section (1) if the defendant proves that the copy is lent by way of business by him with the authority or consent of the person holding the copyright in the material". He would have to show that that person holds the copyright, the person from whom he got it. Is that not, I would ask, an unreasonable burden to place on a defendant having regard to the fact that even though he has imported it and the Collector of Revenue has put his stamp on it and so on and so forth, a complainant could still say: "Prove that the person you bought it from had the copyright". This is why although I have the greatest sympathy with the persons who are trying to do away with pirate copies, because, clearly, it is wrong that when the film industry has spent millions of pounds in making a film, that within three months video dealers should have them on the market and have borne none of the cost of the making of the film. This is what is so bad about video piracy. But I think this Bill, when you are talking of the infringement of copyright, it is all along the line. The Copyright Act of 1956 in fact applies to Gibraltar by Order-in-Council, I think, and this is being amended now, I know. Whether the amendment will apply to Gibraltar I have no idea but what the amendment does is to put such severe penalties on video piracy that it will be a matter, really, for the police and the burden of doing away with it is shifted from the film companies through civil litigation on to the police or the Director of Public Prosecution to do the prosecution. And what this Bill does, although I agree and I am sure we all agree on this side of the House with a system of licensing and regulating, I think this is a good thing, it should be done, I think, however, that when you come to talking of infringement of copyright and so forth, I think one ought to try and follow the legislation in England and the extensions of the Copyright Act and I do not think, Mr Speaker, having regard

to the complexities of copyrights, both for the person who affirms there has been a breach of copyright and for the person who knows nothing about copyright and he feels that because he has brought it from a recognised dealer he is safe, I think it is wrong in principle to shift the burden of proof when it is a criminal offence we are talking about, to shift it from the prosecution to the defendant and for him to prove that he is an authorised dealer. That is really the main point I would like to make on this Bill. The other thing I would like to say, Mr Speaker, on this Bill is that as far as we are concerned we received a copy of this Bill a week ago so I can only assume it has not been published, well, it has been published probably but I do not know how far people in the business in Gibraltar have had an opportunity to look at it and I would certainly suggest that the Committee Stage is not taken in this meeting and that when the Committee Stage is taken perhaps the Government would like to consider the points I have made but as I say as I have been intimately involved in this, in fact, I have written for amendments of the law on behalf of the Society of Film Distributors to the Honourable and Learned Attorney General, I would prefer to abstain completely on the voting of this Bill. But I thought I would bring to the House my own experience, limited as it has been, in this sphere.

HON MAJOR R J FELIZA:

Mr Speaker, I would like to say a few words on this Bill too, and I would also like to declare an interest and like my Honourable Friend here, I will not be voting on this Bill. I think it is very welcomed that some form of control should be introduced because it is not just the producers of the films who lose money but also I think people in the trade itself locally who obviously want to act within the law by not renting copies, find it extremely difficult when they find that their competitors are really using pirate copies and therefore can offer the same entertainment at much cheaper rates as they have not paid the full amount for it. In that respect, therefore, I think it is a good thing that it should be controlled in some way or other. I also agree with my Honourable Friends that it is putting an onus on the dealer which is really almost impossible to carry out unless one is going to tie oneself down to an extreme that it is almost going to be impossible to operate. I think it is only fair that if in fact there is a possibility of infringement, that the proof should come from the other side. There is just one question for the Attorney General, I wonder if he can help in this. Under the EEC, as I understand it, it is possible to import anything from anywhere and monopolies are disallowed so that no matter who may have the agency in one particular area, somebody else is free to buy from anywhere and introduce it and there is no question of any price control or price inhibition by the supplier. In this case, this is what I do not understand, because of the copyright would it be possible for an individual to buy an authorised copy of the film, say, anywhere else, bring it here and then, somehow, pay for the copyright so that it would not be necessary to have to buy it just from Gibraltar where perhaps it might be possible through agency control for the dealer to

be forced to buy it here and therefore create a sort of monopoly which I do not think would be in the interest either of dealers or even more so of consumers who eventually would have to pay for it. I just wonder if he can throw any light on that.

HON CHIEF MINISTER:

Mr Speaker, the first interest we had in this Bill originally was to stop pirated films but not commercially pirated, that is, the rough copies that are made in the industry and not those that are made at a level where, in fact, as in many cases it has happened in England, I have a cutting here from The Times of the 7th February, where the pirate industry in Britain is said to be the largest in the world, it is so sophisticated that films like E.T. and Rocky III and Chariots of Fire were available months before release. And it says: "Extraordinary increases in the growth of video clubs serving more than 3 million households with films at £1 a night will be reported to a London conference today, and the conference has been called by the Institute of Trading Standards Administration, which represents 1500 Trading Standard Officers employed by Local Authorities. In the past year they have mounted a concerted attack on counterfeiting. It says that Video Cassettes are now available in the scale that the latest novels were through the national chain of Boots Libraries, the difference is that films on video can be obtained through Chinese Takeaway, Pet Shops, Filling Stations, Supermarkets and launderettes and an official estimate has put the number of outlets at 25,000. That is what gives the pirate their incentive. A true economic figure for renting a video cassette would be £1.50 or £2.00 a night. The price is forced down by illegitimate material available at 75p or 50p in some cases according to the British Videogram Association. Counterfeiting costs the British Video Industry £200M a year endangering many thousands of jobs and causes incalculable losses to the Exchequer and Income Tax". What we wanted was to protect the rough piracy. I had the same experience as the Leader of the Opposition in respect of sound cassettes some years ago where the bodies representing them found a lot of pirated cassettes in town and when they were brought in the dealer who was bringing them showed that he was buying them bona fide from a dealer somewhere else. The original draft had a provision which we took away but which perhaps we might think about this instead of the other one which has substituted it, and that was: "It shall be a defence in any prosecution for a contravention of sub-section (1) if the defendant proves that the material content of the video tape or video cassette that is alleged to have been lent in contravention of that sub-section were not recorded in Gibraltar". We were trying to stop the piracy here. I do not know whether the Honourable the Leader of the Opposition has a copy of the proposed Bill in England which we might look at because in fact it is being promoted now. The Attorney General did not have one at the time, he brought this out of his own head, I think. I agree that it is rather dangerous to get oneself concerned with copyright law in a penal statute without seeing what is happening elsewhere. We are quite happy to

leave this Bill for the Committee Stage and Third Reading at the next meeting and allow people to make representations and take all these points into account.

HON J BOSSANO:

Mr Speaker, I am not convinced that the consumers need protection in this area or, in fact, want protection. If the result of protecting them is that they are going to be paying £1.50 or £2.00 instead of 35p I think they are not going to want it even less. I would have thought that the only thing that could be justified would be to apply the same criteria to a licence as is applied to every other licence under the Trade Licensing Ordinance and simply to put it in the Schedule.

HON MAJOR R J PELIZA:

What happens to people who run the clubs do they break the law because the dealer in the club is between the devil and the blue sea. If he wants to give cheaper cassettes to the consumer he really has to buy pirate films. If he doesn't he has got to buy the proper ones which are properly produced by the supplier. If you want him to break the law he can give it cheaper but the situation as we can see goes much further than Gibraltar, it goes to the producers all the way back, whether it is Hollywood or EMI in England or wherever it may be. It is not as simple as that.

HON J BOSSANO:

But he would not be breaking any law in Gibraltar unless this law is passed. I do not spend half the time watching videos, I am in meetings most of the time, but from what I know, it seems to me, that if one were to eliminate the pirate versions there would be very little left from what I have seen floating about. The Honourable Member was mentioning this business about this thing coming up on the screen saying this is not for public lending and so on. They all seem to say that. If that is an indication that they are pirate, then I can tell the Honourable Members that from the limited knowledge I have the place is full of pirates. I am not sure what is going to be left if this is put into the law unless we have mass prosecutions, I am not satisfied of the wisdom of proceeding with this, certainly, Mr Speaker, and I shall be voting against the Bill at this stage.

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 G Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes

The Hon A T Loddo
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 Members voted against:

The Hon J Bossano

The following Hon Members abstained:

The Hon R J Isola
The Hon Major R J Peliza
The Hon J B Perez

The Bill was read a second time.

HON A J CANEPA:

Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be left for a subsequent meeting of the House.

THE PUBLIC HEALTH (AMENDMENT) ORDINANCE, 1983

HON M K FEATHERSTONE:

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

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

SECOND READING

HON M K FEATHERSTONE:

Sir, I have the honour to move that the Bill be read a second time. Sir, this is a very simple Bill, it only contains two clauses one of which is the actual title and the second one which makes a very slight amendment to the actual definition of what is a pleasure boat. Normally, the wording has been pleasure boat or craft, this is referring to pleasure boats used at the seaside not being permitted to come within a certain distance of the sea shore except in specific designated areas so that they do not endanger bathers. But when this definition was actually promulgated several years ago, the new vessel which has appeared on the scene in the last two or three years,

namely, the Windsurfer, was not known. These windsurfers can move at quite a considerable speed and if they were to hit a bather they can give him quite a good knock. Therefore it is thought advisable that the term "pleasure boat or craft" should be widened to include surfboards. This, I think, is something that everybody will agree so that surfboards can be restricted in the same way as pleasure boats so as not to cause any harm to the ordinary bather swimming in the sea. I commend the Bill to the House.

MR SPEAKER:

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

HON G T RESTANO:

Of course one welcomes any legislation of this kind. However, in the same way as applies to pleasure boats and I have had occasion to mention this to the House before, I am not satisfied in the way that the rules are enforced. We have rules, we make laws but then we do not enforce them and I would like very much to know from the Minister whether he intends to enforce these laws, or the rules rather, in any different way than is carried out for pleasure boats and those rules are not enforced at all.

HON A J HAYNES:

Mr Speaker, it is a minor point but if we are here to extend the definition to include the latest novelty of the seaside, does this present definition include the nautical scooter that one sees scudding around or are we going to have another amendment to include that at a later stage?

HON ATTORNEY GENERAL:

I must apologise but I think the Honourable Member was referring to water scooters.

MR SPEAKER:

A new contraption which you now have which is a scooter on an engine which goes on the sea. You literally sit as you would on a scooter.

HON ATTORNEY GENERAL:

The sort of thing you see at Camp Bay or Catalan Bay. This is a very short amendment and the only reason it was necessary was that when I looked at the meaning of the word "craft" in certain dictionaries it didn't really cover a surfboard and so before we could proceed to enact rules on surf boards we had to come to the House with this amendment but if I can answer very shortly my own view is that a nautical scooter is surely a craft.

MR SPEAKER:

It is not for me to rule as to whether it is or it isn't, that is a matter of definition.

HON ATTORNEY GENERAL:

I would have thought craft is wide enough to cover that because you can get on it and not quite sit in it but appear to sit in it whereas a simple plank, a surfboard, by all the reputable dictionaries does not appear to be clearly within the meaning of the word "craft" and that simply is the reason why this Bill was recommended to the Government. The other point, and I am not entirely sure on this, but I did rather think, Mr Speaker, that the question of whether the Seaside Pleasure Rules had been enforced since their promulgation in 1981 had come before the House before and I have to check the record but there were cases where they were supervised in their performance, that is the matter I can look into, but as far as I know there is no ignoring of the rules. I come back to the point I made earlier on in relation to another Bill. Obviously there will be times when one has to take action and enforce the law but I think the existence of the law in most cases is sufficient to make sure that people do comply with it.

MR SPEAKER:

Does the Mover wish to reply?

HON M K FEATHERSTONE:

The only thing I can say further to what the Honourable the Attorney-General has said in answer to Mr Restano, I can check with the beach-keepers who are the first persons to supervise whether any pleasure craft is actually breaking the law. Should that happen his actual task is to fetch a policeman and then the person possibly would be either reprimanded or prosecuted. I will look into it to see that for the coming season a tighter system can be enforced.

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

HON M K FEATHERSTONE:

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

This was agreed to.

THE TRAFFIC (AMENDMENT) ORDINANCE, 1983

HON M K FEATHERSTONE:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Traffic Ordinance (Chapter 154) be read a first time.

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

SECOND READING

HON M K FEATHERSTONE:

Sir, I have the honour to move that the Bill be read a second time. This, Sir, is also a very short Bill, the main thrust of it being in section 2 in which it says: "Section 55 of the Traffic Ordinance is amended by repealing paragraph (a)". Paragraph (a) of the Traffic Ordinance actually refers to the Transport Commission and it is specific that one of the powers of the Transport Commission is to advise the Governor on all matters referring to traffic on the roads. As was said, I think, earlier in the meeting when we were talking about the Transport Commission during answers to questions, the Transport Commission was set up in 1958 when there was a Legislative Council but there were no persons charged either with ministerial responsibility or no ministers as such and the actual body concerned with traffic was the City Council. The situation today is that there is a Minister in charge of traffic and it is rather invidious to have the power to advise on all matters referring to traffic vested in somebody other than the Minister and therefore the intention of this Bill is to transpose the power from the Transport Commission to the Minister. This does not, of course, preclude that the Minister, if he so wishes, may consult the Transport Commission on traffic matters at any time that he considers it advisable. I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Yes Mr Speaker, although it is a very short Bill, we are opposed to the Bill mainly based on the remarks that were exchanged by myself and Honourable Members on the other side in relation to the functions of the Transport Commission. Mr Speaker, I would ask the Government to withdraw this Bill and then to come back with a Bill that brings up to date the functions in all aspects, the functions, duties and obligations of the Transport Commission. I don't think it is a good thing

to pass a Bill dealing with one aspect of the functions of the Transport Commission without dealing with all the aspects of the duties and responsibilities of the Commission. I don't think I had to say very much in question time. I did point out to the Minister the obvious undesirability of a situation where responsibility in respect of the grant of public service licences is vested in the Transport Commission by law and yet a practice has developed whereby it appears that the Ministers exercise that function and we get the situation where discontented taxi drivers or whatever, or the Gibraltar Taxi Association go to Ministers and make representations about how the Transport Commission should exercise its powers and the Transport Commission is content to sit back and ask the Ministers to give them directions as to how they should exercise these powers. The section that is being amended is precisely the section that deals with these matters. In Section 55, (a) has gone and it says "consider applications for road service licences forwarded to it under the provisions of this part and deal with such applications in accordance with the provisions of this part of the Ordinance". "Consider and determine any matter which may be referred to it under the provisions of this Ordinance". What we are doing is, we are saying by passing this amendment to the Transport Commission: "Alright, you don't have to advise the Governor any more on matters affecting traffic, we have a Minister". But, by implication, we are saying: "But your duties continue to be as stated in the other paragraph", when we know perfectly well, Mr Speaker, that they are not discharging those duties as a result of the practice or as a result of an arrangement or as a result of the historical evolution of elected government, whatever reason may be given, they are not exercising those discretions except when allowed to do so or when told to do so, or when they feel they can do so safely without incurring criticism. But the fact of the matter is that the pattern of this part of the Ordinance, what the law says is that any application for road service licences - I am not just talking about taxis here but private hire cars, or buses etc - shall be dealt with and shall be determined by the Transport Commission and that anybody who is dissatisfied with this determination may appeal to the Supreme Court. That is the scheme of the Ordinance but that is not what is happening and I can say that from personal experience. It is not what is happening and therefore I would suggest to the Government without pre-judging all the issues, I would suggest to the Government that what is needed is not to change this present law, the Government is going to have to come back anyway to change the Ordinance because the Minister did announce the change of policy under which there were to be allowed two drivers for each taxi and that will require actually an amendment of Section 64A of the Traffic Ordinance as I see it, so why not, Mr Speaker, come with a policy statement on the Transport Commission, their duties and powers, back it up with the appropriate legislative amendment and enactment, and get rid of it for good, Mr Speaker. Because another point, for example, so that as far as I can see in the Ordinance there is no ceiling on a number of taxi licences that there can be. The Transport Commission has a duty under the

Ordinance to consider every application that comes before it. It cannot make pre-judgements and say in an application: "Oh, well, we have been told by the Government that we are not to have more than 113 licences and as granting these licences would make it 114, we do not grant the licence". Because that has no legislative backing and anybody who got told that by the Transport Commission would be entitled to appeal to the Supreme Court and the Supreme Court would make the Transport Commission exercise their discretion in accordance with the law as laid down. This does not mean, Mr Speaker, that it is our view there should be no ceiling on taxi licences in Gibraltar, don't get me wrong. We think that there should be a ceiling on the number of taxi licences that are awarded but there should be legislative provision for it, it should not be left, Mr Speaker, to discussions in the highways and the byways, in meetings with Ministers, in meetings with members of the Opposition and in meetings with the Transport Commission itself and the Transport Commission itself who is meant by law to decide these matters taking the view of Ministers and other people before coming to a determination as they have to under the law. I would ask the Government to withdraw this section and to come back with a new Bill which brings up-to-date, if you would like to call it, brings up-to-date the functions of the Transport Commission, its powers and liabilities and, for example, in private hire buses or in taxis or etc, puts it in the law, puts ceilings in the law, puts a criteria to govern the Transport Commission's action. But you shouldn't have the situation, Mr Speaker, where you have got a Transport Commission and you have got ministers telling the Transport Commission, with no legislative authority to back them, telling them: "Now you do this, no more taxi licences for the moment, we are going to do this, we are going to do that". There should be a body that sits and considers the applications and has to sit and consider the application because that is what the Ordinance says. If we don't want that let us get rid of it but let us not come, Mr Speaker, with an amendment of the Traffic Ordinance which says that the Minister can do what he likes on traffic, he does not have to seek the advice of the Transport Commission. Let us get the whole subject of the functions of the Transport Commission, its duties and obligations, let us get that put right so that there is a system which can be put into work and let us put a ceiling on taxi licences in a legislative fashion. In the same way as we have in the law, and it has got to be in the law, that there should be two full-time drivers, let us bring amendments and let us say that there should be a limit of 120 taxi licences or 110 or 150 and then let the Transport Commission, within those limits that are imposed by the legislature decide on applications whether there is a case for a licence or not. But let us not have the situation, Mr Speaker, where people negotiate the question. I am sure that the Honourable Mr Bossano who I know represented the Taxi Association in representations they made with the Minister for Economic Development and Trade, I think it was, I think Mr Bossano went to that meeting. I don't know whether he went representing the taxis or representing the GSLP. He went representing the GSLP, worse still, so a political party went to see the Minister to tell them to ask the Transport Commission to give instructions to the Transport Commission, which is no

job of Ministers to do because the Ordinance says what they have to do. Doesn't the Minister agree that it is a highly unsatisfactory position. I know what the Honourable Member went to the Ministers about because it is the view of the Taxi Association, and they may well be right I don't say they are right or they are wrong, it is their view that there should be a limit, that there are enough taxi licences in Gibraltar and no more should be issued. There are other people who hold other views, there are other people who feel that because they have been full time taxi drivers for a number of years they should have the opportunity to own their own taxi and own their own licence that is another view, it may be right or it may be wrong. What I am getting at, Mr Speaker, is that to my mind there is a need to set upon black and white the rights and the wrongs of the matter and have a body to decide it and not allow the matter to be determined really, Mr Speaker, by political pushing and bargaining and so forth in an area that the law does not intend it should occur because under the law the Transport Commission are the people designated so, Mr Speaker, we are going to vote against this Bill not because we wish to derogate from the powers of the Minister, not because we want the Minister not to exercise these powers, we are quite happy that he should but because we feel that the Government should not just look at the point of the Minister but should look at the whole of the part of the Traffic Ordinance that deals with public service licences and so forth and deals with the functions of the Transport Commission and if it is out of date, bring it up to date and let us get it off the Statute Book and let it have this problem sorted out once and for all in a manner that I think can be satisfactory by all affected parties. Thank you, Sir.

MR SPEAKER:

Are there any other contributors?

HON J BOSSANO:

Mr Speaker, if the section that is going to be removed is the one that allows the Transport Commission to advise, what is wrong with having their advice. He is not required to act on it or to take it. I cannot understand why he doesn't want them to be there to advise him, surely, they might be able to advise something useful. What is wrong with that?

HON P J ISOLA:

The Transport Commission might complain if he acted without getting their advice.

MR SPEAKER:

Does the Honourable Minister wish to reply?

HON M K FEATHERSTONE:

The Honourable Leader of the Opposition has jumped on his hobby-horse quite rightly so and you have been very indulgent in letting him get away with referring to matters which are not really specifically dealt with in the Bill.

MR SPEAKER:

With respect, it is an amendment to the Ordinance.

HON M K FEATHERSTONE:

I would ask him to reconsider his intention not to vote for this Bill on my giving him an undertaking that within the next two months we will have a comprehensive look at the whole Traffic Commission section in the Ordinance and possibly come forward with a further amending Bill. I would like to get this through at the moment because there are many minor traffic points that one wants to get through quickly, the Transport Commission doesn't meet all that regularly, it is a little invidious to bring 5 or 6 men together if you just want to put a small piece of kerbing etc, so perhaps on my giving this assurance the Honourable the Leader of the Opposition will get his party to change their minds.

HON P J ISOLA:

Mr Speaker, despite the look of concern on the Honourable and Learned the Attorney-General's face, I accept the assurance of the Minister. We will now vote for the Bill.

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

HON ATTORNEY-GENERAL:

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

This was agreed to.

THE PUBLIC UTILITY UNDERTAKINGS (AMENDMENT) ORDINANCE, 1983

HON DR R G VALARINO:

Sir I have the honour to move that a Bill for an Ordinance to amend the Public Utility Undertakings Ordinance (Chapter 135) be read a first time.

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

SECOND READING

HON DR R G VALARINO:

Sir, I have the honour to move that the Bill be read a second time. This Bill is concerned to do three things. First of all, let me apologise for the Explanatory Memorandum which contains certain figures which are wrong but do not form part of the Bill and therefore the Bill is correct as printed. This Bill is concerned to do three things. Firstly, a reduction in business and residential charges backdated to the 1st of January, 1983. The reduction in business charges is £10.71 and in residential charges of £7.80p. Both are in the order of a 37% reduction. That business rental charges will become £18.27p quarterly and residential charges will be £12.90p per quarter. This compares favourably with UK rentals which are at present £21 per quarter of business subscribers and £15.50p per quarter for residential subscribers. The free call allowance of 120 units will remain which effectively also reduces the rental by £4.80p. In reply to Question 203 of 1982, I mentioned that monthly advice notices for nine months would be sent in order to guide Government and consumers. Government has decided that after taking this early decision to reduce rentals, the continuation of monthly advice notes will only be for a further 3 months as from the beginning of the year - a total of six months. Secondly, the Bill proposes to reduce removal charges by £20 to £30 in part II of the Second Schedule to the Public Utility Undertakings Ordinance. It should also be made clear that note (ii) after item 25 obviously also applies to the reduced removal charge. Finally, and thirdly, to introduce a pro rata debate on rental where a phone is out of order from at least one month after the fault is reported. The period of one month has been considered by Government as a suitable starting point in introducing this rebate. Both the reduced removal charges and the pro rata rebate on rental will also be retrospective to the 1st of January 1983. These three proposed changes will mean a lowering of telephone charges to consumers and of decreased revenue to Government by over £250,000 in the year 1983. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON G T RESTANO:

Mr Speaker, to be able to judge the effects of lowering these charges one needs of course to have accurate figures on the local charges. I did ask in December what revenue had been received in October out of local calls and I was told about £12,000. I repeated the question at this meeting and I find that in the answer of the Minister he has stated that the revenue for local calls for December was £37,940. I don't know whether that is correct because in the same answer he said that the October figure was £30,223 when in December he said that the

figure was £12,000. Now I would like to know, first of all, because to be able to evaluate the reductions here we really ought to have figures. Here is a complete contradiction, one answer in December and one answer now for the same month with a difference of £18,000.

MR SPEAKER:

The general principles that we are debating now are as to whether the telephone charges should be reduced or not. That is the general principle. The amount by which it is to be reduced is a matter of detail which can be done at Committee Stage.

HON G T RESTANO:

Fair enough, Mr Speaker. I will reserve my comments until I have the information. We moved a motion in December and one of the things that we said was that the increases in charges had been excessive for local metering and the fact that only shortly, two months afterwards, Government has seen fit to reduce the charges of course vindicates completely what we said in December in the motion and whereby we brought the motion. I reserve my position until I get the figures and that goes on the first part of the Bill. Again, on the rebate where phones are out of order for at least one month after a fault is reported, I think we ought to know what pro rata rebate is intended and also why it is that it takes so long sometimes for telephones to be repaired so that precisely the Government has to bring in a rebate when the department has not been able to repair the telephones within what I consider to be a reasonable period of time.

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

HON DR R G VALARINO:

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

This was agreed to.

THE LAW REVISION (MISCELLANEOUS AMENDMENTS) ORDINANCE, 1983

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to make minor amendments to various Ordinances as part of the revision and consolidation of the statute law, be read a first time.

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

SECOND READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, Members of the House will I think recall that at the end of 1981, after it had been agreed that there should be a reprint of the laws of Gibraltar, an Ordinance was passed called the Revised Edition of the Laws Ordinance. The purpose of that was to confer certain powers on the person appointed for the reprinting undertaking who is of course Sir John Farley Spry and these were the normal powers that are given to a Commissioner for a reprint in order to enable him to carry out his task. In general terms the powers given by that Ordinance were what I would characterise or describe as editorial powers, powers to re-arrange the statute book, powers to make amendments, generally, that are not of substantive effect but are rather of a formal nature. But in any reprint undertaking it is necessary or it is desirable, I should say, in the course of that reprint to not only make such formal or editorial changes but also to make changes and improvements of a more substantive nature. Of course there is a fine line between what is a reprint and what eventually becomes a revision and in this House we have before discussed the pros and cons of a revision and the upshot or the result is that because of the importance of getting the reprints through and on to the books, the exercise is in fact a reprint which is less than a revision but even so it is still necessary to make a number of amendments, as I have said, and to do that it is necessary to come back to the House because if the proposal does not come back to the House substantive changes would be being made which did not have the endorsement of the House. For those reasons it has always been contemplated that there will be one or more, and I would say there will be more than one Bill entitled a Law Revision (Miscellaneous Amendments) Bill put to the House so that Honourable Members can consider changes that are proposed by the Commissioner and decide whether or not to endorse them. This, in fact, is the first of these Bills and as Honourable Members will see from the Bill it contains a number of amendments to different enactments. The point has been raised in this House before that one should avoid inter mixing different amendments in different acts but I am sure that in this case all members will agree that this comes under the short title Law Revision and therefore is not open to objection. At Committee Stage I propose to speak to each particular clause but there are one or two matters that I would like to emphasise as being of some importance. The first is contained in clause 2 of the Bill which, among other things, in paragraph (a) revives the limits for insolvency proceedings. I am sure members will appreciate that if this is looked at here, and the purpose of looking at it is to bring up to date the relative amounts because a lot of time has passed since the original Ordinance was enacted, it will also follow that the companies liquidation proceedings will

have to be looked at as well and this will take place in a subsequent law revision Bill. At the same time a number of other sections in different Ordinances have been amended to up-date references to the rates of fees to bring them more into line with the effects of inflation and over and above that there have been provisions to take account of changes or amendments to the general law in England and are followed through in this Ordinance. Mr Speaker, it may be appropriate for me to give a progress report on the state of the reprint and to explain why this Bill is now brought to the House. The tenders for the actual reprinting of the work have been called for and tenders have been submitted and that is a matter which falls to be considered. Once a tender is allocated the intention of the Commissioner is that he will programme the work to the successful tenderer in stages and he is at the point where very shortly now he proposes to put the first half, basically, nearly the first half of the work to the successful tenderer and later on in the year, I think the date he has in mind is June, another large instalment will go and then later on in the year, I think in September, the final instalment will go to the printer with a view to having the product finished in about March of 1984 and so the relevance of this Bill to that is that these are matters which the Commissioner is seeking to have cleared in advance of putting the actual publication work in hand. As I say, Mr Speaker, I propose to speak to the individual amendments at the Committee Stage which because of the detailed nature of the Bill will not be taken at this meeting of the House but rather at a subsequent meeting. I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

I just want to clarify, I think I have got the answer. I assume that in the reprinting which that is carrying on, all these amendments will appear in their appropriate places in the various Ordinance, that is the idea?

HON ATTORNEY-GENERAL:

Yes.

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

HON ATTORNEY-GENERAL:

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

THE SUPPLEMENTARY APPROPRIATION (1982/83) ORDINANCE, 1983

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill for an Ordinance to appropriate further sums of money to the services of the year ending with the 31st day of March, 1983, be read a first time.

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

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be read a second time. The Bill seeks to appropriate, in accordance with section 65(3) of the Constitution, a further sum of \$964,041 out of the Consolidated Fund. The purposes for which this sum is required are set out in Part I of the Schedule to the Bill and detailed in the Consolidated Fund Schedule of Supplementary Estimates No 4 of 1982/83 which I tabled at the commencement of this meeting. The Bill also seeks to appropriate, in accordance with section 27 of the Public Finance (Control and Audit) Ordinance, the sum of \$136,152 as set out in Part II of the Schedule to the Bill and detailed in the Improvement and Development Fund Schedule of Supplementary Estimates (No 4 of 1982-83) which was also tabled at the beginning of this meeting. Sir, whilst Honourable Members will have an opportunity to discuss in detail the provisions sought in the Bill during the Committee Stage, there are one or two items to which I would like to draw attention at this second reading. Some 70% of the \$964,041 out of the Consolidated Fund are covered by three Heads. The first, \$288,000, is sought to meet the additional cost of fuel at King's Bastion and at Waterport. Under Medical and Public Health, of the \$263,283 sought, \$140,000 is to meet the cost of overtime payable as a result of a reduction in the conditioned hours of nursing staff. \$62,000 is the cost of the revision of fees of Group Practice Medical Scheme contract pharmacists which is retrospective to the first day of January, 1982, and the cost of increases in the prices of drugs supplied under the Medical Scheme is \$35,000. Under Head 20, Public Works Annually Recurrent, a further \$121,000 was required for the additional importation of water following the prolonged drought which Gibraltar has experienced both this and last year. Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

There being no response Mr Speaker then put the question which was resolved in the affirmative and the Bill was read a second time.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

COMMITTEE STAGE

HON CHIEF MINISTER:

May I suggest that we take the short Bills first through Committee Stage and Third Reading and leave the longer Bills for tomorrow. I suggest we take the Public Utilities Undertakings Ordinance, the Traffic, Trade Licensing and the Public Health.

MR SPEAKER:

The Public Utilities Undertakings Ordinance, The Traffic Ordinance, the Trade Licensing (Amendment) Ordinance, and the Public Health (Amendment) Ordinance.

THE TRADE LICENSING (AMENDMENT) BILL, 1983

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

Clause 2.

HON A J CANEPA:

Mr Speaker, I have the honour to move that clause 2 of the Bill should be deleted and that consequentially clause 3 should be renumbered clause 2 and clause 4 should be renumbered clause 3.

Mr Speaker put the question in the terms of the Hon A J Canepa's amendment which was resolved in the affirmative and the amendment was accordingly passed.

Clauses 2 and 3 (old clauses 3 and 4) were agreed to and stood part of the Bill.

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

THE PUBLIC HEALTH (AMENDMENT) BILL, 1983

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

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

THE PUBLIC UTILITY UNDERTAKINGS (AMENDMENT) BILL, 1983

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

Clause 2.

HON G T RESTANO:

I would like to know what are the correct figures for local telephone charges because I have been given two different sets of figures.

HON DR R G VALARINO:

On this particular subject let me put the Honourable Member straight. Initially, and after rechecking the amount for October, 1982, this was found to exceed just over £10,000 and the figure for November, 1982, was found to be approximately £18,000, this is as far as local calls are concerned. However, on remonitoring it then became obvious in mid-December that 5 meters had recycled during the month of October and 4 meters had recycled during November. These recycled meters were on the Forces lines due to the high usage and this was not expected. Each recycling is an extra £4,000, the meters have 5 digits. Therefore the real total for October was the initial £10,000 plus the 5 meters recycled at £4,000 which is £20,000, making it a total of £30,000 and for November it was £18,000 plus 4 meters recycled at £4,000 which was £16,000, a total of approximately £34,000. Monitoring has continued and all high calling meters are re-checked periodically. I must stress that the recycling of these meters happened on Fortress lines of which we have six due to the high level of calling rate not only local but they have international calling rate and this was not expected by the Department. What the department is now going to do is to change the present five digit meters of these lines by 6 digit meters and about 10 meters will be changed in all.

HON G T RESTANO:

If the Honourable Member will give way. When he says recycling, could he expand a bit. Who is paying for this, is it that someone is paying for something which they have not used? The consumer is paying?

HON DR R G VALARINO:

Yes.

HON G T RESTANO:

So this is actual revenue, real revenue is £37,940.

HON DR R G VALARINO:

Mr Chairman, Sir, the meters are 99999 and the recycling took place and went over this figure and then when it was read it was taken for granted that the figure was less. On remonitoring it was obvious that the meter had recycled and this is why the figures were higher than was originally estimated. Unfortunately, by the time we had the answer it was too late for the December meeting of the House where I mentioned the figure of £12,000 to the Honourable Member. I did say in my intervention in the House: "The correct and proper approach is to look at the revenue obtained from local call charges and also at any revenue increases that may occur in later months through international traffic, monitor this, adjust accurately and advise as to the size of possible reductions in rental to both businesses and domestic consumers in the future and, in fact, this is what we have done and we have reduced both by approximately 37%.

HON G T RESTANO:

Mr Speaker, now that I have the correct figures it seems to me that whilst it is always welcome to have a reduction in charges I don't think they go far enough. It is quite clear that it is about £240,000 or £250,000 which they are giving back but they are taking in about £420,000 or over so the people in fact are being taxed by nearly £200,000 extra per year.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

They are not being taxed, they are paying for a service.

HON G T RESTANO:

Well, they are paying for a service which was free before October and it was because it was decided to charge in October and the Minister has just confirmed that we were led to believe in December that the amount would be far less, it is now over 3 times what we were led to believe in December. But, anyway, the point is that per annum the charges to the people of Gibraltar is nearly £200,000 even though the Government is getting back £250,000. We don't think it goes far enough, however, of course we will support it because something is coming back to the people, that is, half a loaf is better than no loaf at all but the Government should have been considering giving back the whole loaf.

HON MAJOR R J FELIZA:

Mr Speaker, I am very surprised at the attitude of the Government. We have been proved right already that last time they were you might say profiteering and now they intend to carry on profiteering. Of course it is profiteering. If you ran that as a business as you should and if these were shareholders instead of the Government putting the money, God knows where it goes, probably it goes down the drain, it would be profiteering, I am really very concerned about this because we only heard

yesterday the Minister for Trade asking the private sector to cut down their margins to make the whole place as efficient as possible to be able to compete with an open frontier and here we come and we take no notice at all, no indication of what the total amount is going to be at the end of the day and when we say that perhaps they are overcharging there is no explanation. What they should have done is having seen that last time they did overcharge the public, whatever the error might have been it was obvious the whole calculation was out, whether it was recycling or not recycling, it was obvious that they were overcharging. All I am saying is, if you are going to come to this House and going to admit that you overcharged before, on this occasion at least if you come here and give us a full account of the amount that you are bringing down the rates and why you are doing it and what you expect at the end of the year to make or not make, then we would be satisfied with this figure but at the moment you are literally asking us to sign you a blank cheque. I would like to hear the Minister who is responsible and it is he who should answer to tell me now, if he had done his homework, if he can tell this House how much money at the end of the day, at the end of the year what the balance of this undertaking is going to be. I hope the Minister will give me an answer.

HON A J HAYNES:

Sir, once on the subject of previous questions and the information given I would note that in Question 203 to which the Minister has referred, which is the first question in which we invited Government to give us information as to the possible earnings from the metering of local calls, we were told in a supplementary to that question that the projected earnings in local calls for the whole of the first quarter would be £39,000 and those £39,000, Mr Chairman, were a 20% increase over the then revenue for local calls. The figure, in fact, Sir, for the earnings in local calls has not been the 20% increase to £39,000, it has been a massive increase to £102,000. The estimated earnings has been completely incorrect and as such they have done what we said they were going to do. They have caused an unrealistic burden on the people of Gibraltar. We also asked them, Mr Speaker, at that time because they had indicated earlier that they were considering a reduction of the rental, we asked at the time whether they were going to reduce the rental by the amount of the increase in revenue and we were told that that depended on what the actual increase in revenue was. We have now heard that the increase in revenue was astronomic, instead of being the 20% increase it is over 100%. It is, however, apparent to me that the reduction in the rental from £28 or £29 to £18, is not reflected in the earnings so we are still having a system which is, as I have said, burdensome on the public and which the Government are using to finance other ventures.

HON CHIEF MINISTER:

How can the Hon Member say that. That is ridiculous.

MR SPEAKER:

The Public Utilities Undertakings are not used for the purposes of general revenue.

HON A J HAYNES:

But I would like, Mr Speaker, to know what the criteria used in assessing this reduction was and I would be happy to have that information from the Minister.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, we are not profiteering, we are not making large profits. The estimated deficit on the Telephone Fund as at 31st of March, 1983, is nearly £400,000 and the projected deficit as at the 31st of March, 1984, will be some £640,000 and it is only after that period that over the next three years the projected deficit begins to drop down and this is because of the high cost of the capital charges and interest on putting in the IDD system. No way is the Government profiteering and this will be quite clear when the estimates for 1983/84 are put to the House and the House sees the Telephone Account.

HON A J HAYNES:

Mr Speaker, does this mean that when the capital cost of the IDD installation has been met that we will have further and substantial reductions and are these estimates as reliable as the estimates we were given three months ago which are hopelessly inadequate and are the figures that we are going to be given going to be slightly more conscientious in their manufacturing than they have been till now?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I think first of all that the House underestimates the difficulty in projecting what amount of revenue is going to be obtained from local calls. This was extremely difficult to do. The fact that there was the recycling problem in October and November which caused my colleague the Honourable Minister for Municipal Services to give a wrong figure to the House at the December meeting I think cannot be helped. I was absolutely horrified when I saw the figures for October and realised that we were getting so small amount from local revenue. The projections that I have just given of £400,000 deficit at the 31st of March, 1983, it would have been well beyond that had revenue continued on that figure. Secondly, the Honourable and Learned Member opposite has just enquired whether at the end of the 5-year period when we expect to be running into a surplus, we will be able to cut charges further. That will depend very much on whether the Government of the day decides that it will spend more money on improving the telephone service. It may be that you can cut charges or you can improve your service.

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

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

THE TRAFFIC (AMENDMENT) BILL, 1983

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

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

The House recessed at 8.00 p.m.

THURSDAY THE 24TH FEBRUARY, 1983

The House resumed at 10.45 a.m.

Committee Stage continued.

THE IMMIGRATION CONTROL (AMENDMENT) BILL, 1982

Clause 1.

HON ATTORNEY-GENERAL:

Mr Chairman, I beg to move that in clause 1 the figures "1982" be deleted and the figures "1983" be substituted therefor.

Mr Speaker put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

Clause 2

HON ATTORNEY-GENERAL:

Mr Chairman, I have five amendments to this clause but only one of them is of any substance and I would like to speak to that. The amendments which I move is first to insert after the words "if but only if" in the new subsection 2(2) the words "at least one of the following criteria is applicable to him and". Put like that it probably doesn't make sense to anybody and I would like to explain what the effect of that amendment is. In doing so I want to re-cap on the purpose of the whole Bill which is to carry through the consequences of the British Nationality Act, 1981, by defining in Gibraltar law who is a British dependent territory citizen having a connection with Gibraltar. The whole

point of the Bill is to spell out what amounts to a connection with Gibraltar. I am sure Honourable Members will agree with me that it is important not to go too far in defining that, it is better if anything to be cautious at first and to expand it in the fullness of time rather than to go too far at the outset and indeed if one considers the British Nationality Act, you will see that the main Act was passed in 1948 but over the years there were various particular amendments passed to gradually extend the provisions relating to nationality as new situations have arisen. I have been very conscious in preparing this Bill of the need not at the outset to define what is the connection too widely. As the Bill now stands before this amendment will be made, there are detailed a number of qualifications which are elements in obtaining citizenship and if they apply to a person then they will give him the necessary entitlement to say that he has a connection with Gibraltar. If only one applies and that is the way he got his citizenship, then that is sufficient. If more than one applies to him he must satisfy each of the requirements. That is how the Bill stands now but although it is very difficult to conceive of a case where a person would have citizenship and yet none of these paragraphs would apply to him in my own mind I think it is possible there may be such a case and I think it will be unsafe not to have a further qualification and a further qualification is what I am proposing in the amendment. The further qualification is that before you can invoke this new subsection (2) you must be able to show that at least one of the qualifications applies to you. I hope I have been clear, Mr Speaker, because it is a very complicated matter but the upshot of it is, if I can underline what I said before, that I am concerned that we shouldn't at the outset define what is the connection too widely, I think it is better to be safe and to look at the thing later on if we have to. That is the point of this particular amendment and I so move.

MR SPEAKER:

I would suggest perhaps since you are moving amendments to the same clause that you move all the amendments together.

HON ATTORNEY-GENERAL:

Mr Chairman, I have in paragraphs (b), (c), (d) and (e) there are in effect three other amendments. They are all of a very minor nature. In paragraph (b) to omit the words "is at any time" and substitute the words "at any time after commencement is". If I can briefly explain that, this is the case where the citizenship of one of your parents is a material qualifying factor and it is the citizenship after the commencement of the British Nationality Act, 1981, that we are talking about where the citizenship of a parent before the commencement of the Act is a factor, that is dealt with in a subsequent paragraph (k) so this really serves to carry into fuller effect the purpose of the paragraph. The third amendment is to omit paragraph (e) and to re-letter the remaining paragraphs accordingly and that is simply because this is a long subsection and it was very hard to condense it but in the time between having the Bill introduced and this Committee Stage, I realised that it would be possible to reduce the number of para-

graphs. What is in paragraph (e) is not being taken out of the Bill, I am simply going to condense it with what will become a new paragraph (g) subsequently. That is merely to reduce the length of the Bill, as it were, by condensing two paragraphs into one. I therefore come to the fourth amendment in paragraph (d) of my motion and that is in paragraph (g), as re-lettered, which is (h) in the present Bill, to omit the word "residence" and substitute "the residence or presence of any person". That will then subsume both what is in present paragraph (h) now and also what is in the present paragraph (b). And, finally, Mr Chairman, in new paragraph (h), as renumbered, again there is a need to distinguish after commencement rather than before commencement where the citizenship of a spouse is a qualifying factor and my amendment is in paragraph (h), as re-lettered to insert after the words "any time" the words "after commencement". We are talking about citizenship after the 1981 Act came into operation. Mr Chairman, I beg to move.

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

HON A J HAYNES:

Mr Chairman, there are two questions, really. I would like to know whether the amendment will affect in any way or the Attorney-General's interpretation of the hereditary powers to be given to the Gibraltarians to pass on British citizenship and the other matter is since we are talking of a right that the Gibraltarian has to adopt British citizenship, are we talking about a right which one acquires after majority and if so why is there nothing in the Bill to accord this right or associate it with an age. But mostly, Mr Speaker, I would like to know whether the Attorney-General is satisfied that a Gibraltarian who now opts for British citizenship is not going to be precluded from passing on this right through himself to his heirs and I would like to know whether the Attorney-General's interpretation is that it is something which is passed on or something which is acquired by virtue of being a Gibraltarian. So that if a Gibraltarian who adopts British citizenship then moves away from Gibraltar and lives in a foreign country, the position then would be one of some doubt and I would like to have clarification on that point.

HON ATTORNEY-GENERAL:

Mr Chairman, could I ask the Honourable and Learned Member if he could expand a little on the last point because as I understand the thrust of the point is a concern that if a Gibraltarian leaves Gibraltar and settles somewhere else somehow he may lose his rights. I don't know whether I understood that correctly.

HON A J HAYNES:

Is nationality now that it is given to us in this form, is it a right which is in the person, a right which he can pass to his

heirs like an Englishmen can, or is it a right which is purely defined and dictated to by the status of Gibraltarian, the registered Gibraltarian. This concerns a query which I have had from Gibraltarians living outside Gibraltar who wanted to know.

HON ATTORNEY-GENERAL:

Mr Chairman, this particular Bill doesn't determine the status of citizenship or nationality although I think it is intimately related with it but it doesn't itself lay down the various types of status which are so far as Gibraltar is concerned, I think one can say they are threefold. Two statuses by virtue of the British Nationality Act and one status by virtue of the Gibraltar Status Ordinance. Under the British Nationality Act Gibraltarians are entitled to register as British citizens, that is one of their options. Once they are registered as British citizens, how they hand down that citizenship will depend on the rules that the general principles of Part I of the British Nationality Act governing transmission of citizenship where you acquired it by registration. I would need to take time to look into the various circumstances in which you can transmit your own citizenship if you have acquired it by registration as distinct from birth or naturalisation but my understanding is that once you have registered there is no difference between registration under Section 5 and registration under any of the other sections unless a particular section gives him further rights. In principle, as I see it, you are then a British citizen, you have acquired that citizenship by registration and everything else flows from that. Of course, quite apart from citizenship, Gibraltarians are entitled under Part II to British Dependent Territory Citizenship and there how you transmit it depends again on the way in which you acquired it, whether you acquired it by birth or you acquired it by registration or you acquire it by naturalisation. I am quite confident that there is no difference in principle between the ways in which a person can transmit Part II citizenship and can transmit Part I citizenship. What I am really saying is that the only point I would like to look at is Section 5, that the special provision in Section 5, although I am pretty certain that once you have registered under Section 5 you are the same as any other citizen who has obtained citizenship by registration. I can see nothing in the British Nationality Act and certainly nothing in this Bill to limit the ordinary rules that apply to the transmission of one's nationality or citizenship. I would just like to emphasise that what this Bill is doing is imply saying that once you have a status, once you have the status of a British dependent territory citizen, Gibraltar wishes to determine which of the people having that status can be treated, to use the expression as "Gibraltar belongs" so this is really a Bill defining what amounts to a Gibraltar believer. Not exhaustively defining it because the Immigration Ordinance already says that Gibraltarians - and there it is using the criteria of the Gibraltarian status Ordinance - are believers so that is one way in which one can become a believer. The other way if for some reason you cannot establish your believer connection under the Gibraltarian Status Ordinance that is to say "but nevertheless I am in any event a British

dependent territory citizen having a connection with Gibraltar by virtue of this definition". So it is really extending the class of Gibraltar believers and of course the important consequence of that, the immediate consequence of that, is that anybody who comes within this status has the right to come and reside in Gibraltar. It is a right on their part, it is a responsibility on Gibraltar's part. I think it is a very important responsibility to assume because I think it shows that Gibraltar is carrying through the responsibilities of citizenship even though that citizenship is only defined in general terms as a British Dependent Territory citizenship, this is really making it concrete, so far as Gibraltar is concerned, it is really the application to Gibraltar of it.

Mr Speaker put the question in the terms of the Hon the Attorney-General's amendments which was resolved in the affirmative and Clause 2, as amended, was agreed to and stood part of the Bill.

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

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

THE PUBLIC SERVICE COMMISSION (AMENDMENT) BILL, 1982

Clause 1.

HON ATTORNEY-GENERAL:

Mr Speaker, I would like to move that the figures "1982" in sub-clause (1) be deleted and substituted by the figures "1983" and that the word "January" in sub-clause (2) be deleted and substituted by the word "March". Can I take the opportunity to speak to clause 1 on the general aspects of the Bill?

MR SPEAKER:

Most certainly.

HON ATTORNEY-GENERAL:

When this Bill came up in the House at the December sitting, I think two important points were raised by the Opposition. The first was that this Bill started off simply as a re-drafting exercise because we wanted to be able to prepare some regulations made under the Constitution and the convenience to have all the provisions or so many of the provisions as were apt put into those regulations and those regulations are really intended to deal with the procedure of the Public Service Commission. The point of the amendment was simply that, a re-drafting exercise, so that when the members of the Commission or people dealing with the Commission wanted to pick up the procedural

provisions they could go to one set of regulations rather than have to look at the Constitution and Regulations and the Public Service Commission Ordinance. But the point was taken in the House that the Regulations are made under the Constitution and therefore would not be brought before the House whereas at the moment some of the matters which we were proposing to take out of the Ordinance and put into the regulations are matters before the House and therefore the House can from time to time review them. I certainly wouldn't want to subordinate a consideration like that to what was really a drafting consideration, a consideration of presentation for convenience, and my own feeling on the matter is that it is really a matter for the House how it feels about the whole thing. It could be done in one or two ways, it could either do everything in an Ordinance or we could leave this proposal as it stands which means that we would be using regulations to do a number of things. As I say, I think it is very much a matter how the House feels about that but were we to do everything by an Ordinance it would not, in my view, be convenient to amend this Ordinance because we would really have to rewrite a new Bill, in other words this Bill would have to lie and we would have to bring in a new Bill because there would be so many amendments that it would just be too difficult to go through this clause by clause and change it. My own view would be to do another Bill. In considering whether members really feel that it is important to retain these matters in an Ordinance, I would ask the House to consider that at the moment under the relevant section of the Constitution, which I think is Section 72, it is quite clear there that this House can make Ordinances dealing with the powers and functions of the Public Service Commission but what I am really saying is simply this that on the one hand I think it is a matter for the House if members feel that they do not want to see powers transferred out, well, obviously, that is that, but members might like to consider that already the powers of the House in respect of the Public Service Commission are in fact recognised in Section 74, subsection (5) of the Constitution. As I say, Mr Speaker, on this I don't myself have strong views, I think it is a matter for the House but were the view to be taken that the powers were not to be transferred out then I think what would be called for would be a complete new Bill rather than to try and amend this one. The other point was also a substantive matter and that was whether or not it is appropriate that the Government should be able to rely on the statutory requirement in section 15 of the present Ordinance to avoid having to produce documents in Court. The Honourable and Learned Leader of the Opposition made the point that we should consider whether the Crown should not have to rely simply on the ordinary common law rules of privilege. He was therefore saying what it was necessary to go further and say that in addition to those ordinary rules on privilege the documents concerning the Commission may be withheld unless the Deputy Governor consents to their production. Well, this is a matter which I personally think has - I am speaking personally on this - has a great deal of force on it. I think there is a strong case for saying that Crown privilege should be common law Crown privilege and it should not be necessary to have to have an additional statutory provision for privilege but, Mr Speaker, that is an amendment not only of sub-

stance but is really a point which was not within the original schedule of this Bill when it was drafted. It arises because we are amending the section but it is an amendment which we would need to address quite separately and if this Bill were to stand what I would prefer to do would be to leave the section as it is on the understanding and indeed on the undertaking that I would put a paper to Government for consideration of a further Bill to deal with the question of how one handles Crown privilege in this context. If that were adopted I should qualify my undertaking, it is not for me to say Government will agree but I would certainly put my views to Government on it.

Mr Speaker put the question in the terms of the Hon the Attorney General's amendment which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

Clauses 2 to 8 were agreed to and stood part of the Bill.

Clause 9.

HON P J ISOLA:

Mr Speaker, with regard to clause 9, I take the point made by the Honourable and Learned Attorney-General on this. We don't like this clause but we would vote however in favour of it in view of his undertaking but I would like the Honourable and Learned the Attorney-General to give us an assurance or an indication that although I can understand it will not be for him to decide the matter eventually but to bring to the notice of the House when a decision is made one way or the other.

HON ATTORNEY GENERAL:

Certainly, Mr Chairman. Can I make it clear what my undertaking would be. Speaking personally as a lawyer my own view is that there is clearly a strong case for arguing that the whole thing should depend on the common law of Crown privilege and I will put my views to the Government. It is a matter for the Government, of course, to come to a view on and I will certainly also undertake to report back to the House. I just want to say one thing. It may be that during the course of discussion in the Government somebody throws up a point which is a reason why it should be retained so I am leaving myself open to that extent but certainly I will report back.

Clauses 9 to 11 were agreed to and stood part of the Bill.

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

THE SUPPLEMENTARY APPROPRIATION (1982/83) BILL, 1983

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

Schedule

Schedule of Supplementary Estimates Consolidated Fund (No 4 of 1982-83)

Item 1 Head 1 - Audit was agreed to.

Item 2 Head 3 - Education

HON P J ISOLA:

On education. Is this long term leave of absence of 17 qualified teachers an unusual situation that there should be so many on long term leave and are they all on maternity leave?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I think there were about 14 or 15 maternity cases. It might be cheaper to give them the pill.

HON P J ISOLA:

No, I do not go along with that. What is the maternity leave?

HON MAJOR F J DELLIPIANI:

It is I think 3 months before or two months afterwards, I am not sure.

HON A T LODDO:

Mr Chairman, on wages. The vote says: "To meet cost of additional staff engaged for Westside Comprehensive School. 8 cleaners and 1 labourer." Will this staff be sufficient to meet the needs of the extended use of the gymnasium after hours or will Government require additional funds for wages for cleaning staff in this respect.

HON MAJOR F J DELLIPIANI:

Once we come to some kind of agreement as to how much use the public can make of it, it will be on the advice of the Management Services. I am not in a position to say because it hasn't really been used after hours yet to what extent the school will need cleaning. Obviously, the gymnasium is a place which requires a lot of very careful maintenance to protect it for the future. I cannot really say at this stage just what the implications are because there hasn't been as yet any use by other bodies after hours.

HON A T LODDO:

Mr Chairman, it is obviously Government policy to allow the use of the gymnasium after hours and it won't just be the gymnasium it will be the toilets and the changing room facilities and you will be needing cleaners and maintenance. Does this mean, in fact, that once this policy is implemented of allowing the use of the gymnasium after hours, you will be asking for more staff and more in wages or is it already taken into consideration when this was prepared.

HON MAJOR F J DELLIPIANI:

No, this has not been taken into consideration.

HON A T LODDO:

This is merely for the school now so you will need more staff?

HON MAJOR F J DELLIPIANI:

We might.

Item 2 Head 3 - Education, was agreed to.

Item 3 Head 4 - Electricity Undertaking

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, before the committee looks at this I must apologise that owing to a fault in my office for which I am personally responsible the figures on the fuel became transposed and they should read King's Bastion Fuel, original £1.8m and the amount now sought £96,200 and the Waterport Power Station the original token vote was £100,000 and the amount now sought is £191,800. I am afraid it is a fault that arose in my office now and I apologise.

HON G T RESTANO:

Mr Chairman, may I have an explanation for the necessity of having a Higher Executive Officer for the Waterport Power Station for six months?

HON DR R G VALARINO:

Yes, Mr Chairman. This new post was created on the recommendation of the Committee of Enquiry, Sir. He is the Secretary of the Steering Committee and his main involvement is with matters arising and connected with Waterport Power Station. He is also connected with stores, Sir.

HON G T RESTANO:

What will his functions be there?

HON DR R G VALARINO:

Well, really, Mr Speaker, his functions is to support the establishment of the Waterport Power Station administrative personnel.

HON G T RESTANO:

Is he the only Government employee at the Waterport Power Station?

HON DR R G VALARINO:

Mr Chairman, Sir, no transfer has as yet been made. He is still resident at King's Bastion except that he is earmarked for Waterport Power Station and all the matters he deals with at King's Bastion are related to the Waterport Power Station involvement.

HON G T RESTANO:

Was not one of the recommendations of the committee enquiry that the City Electrical Engineer should go immediately at that time and from there onwards to the Waterport Power Station and why has that not been done?

HON DR R G VALARINO:

Mr Speaker, with all respect to the Honourable Gentlemen opposite I don't think that has got any bearing on this question, if I may say so.

MR SPEAKER:

We allow a fair amount of latitude since we are in Committee.

HON DR R G VALARINO:

Though the City Electrical Engineer is resident at King's Bastion he spends a great deal of time at Waterport Power Station.

HON G T RESTANO:

Who else spends a lot of time at the Waterport Power Station of Government employees?

HON DR R G VALARINO:

On the administration side the City Electrical Engineer, the Deputy City Electrical Engineer and HEO.

HON G T RESTANO:

Can the Minister say how many people are involved and what sort of time do they spend there, do they spend most of their time there or half of their time?

HON DR R G VALARINO:

No, Sir.

HON G T RESTANO:

No, Sir, what?

HON DR R G VALARINO:

No, Sir, I cannot say.

HON G T RESTANO:

Doesn't the Minister know?

HON DR R G VALARINO:

I haven't got the information with me, Sir.

HON G T RESTANO:

Mr Chairman, we are being asked to approve \$4550 for a HEO to go to the Waterport Power Station for six months and we are not really being given any full explanation. One specific officer who, it is said, follows the recommendation of the committee of enquiry but the committee of enquiry brought a lot more recommendations concerning the Waterport Power Station. I think it is only natural that we should want to know precisely because the Minister has not given a good explanation. He has said administratively, what does he mean administratively?

HON DR R G VALARINO:

Mr Chairman, Sir, this is one specific post we are seeking funds for which is an HEO. The administrative officers to which I referred to were mainly the City Electrical Engineer and his Deputy. I can see that as far as regards this item no further question can arise, the committee of enquiry report said a number of things which are being implemented and I must say at this stage that I fail to see why the Honourable Member should be so inquisitive since they never helped the committee of enquiry.

MR SPEAKER:

The Hon Member can be as inquisitive as he is entitled to be. That doesn't entitle him to get information which you haven't got.

HON DR R G VALARINO:

This is for one specific man and as to any other matters arising out of this business I certainly do not have the necessary information.

MR SPEAKER:

Perhaps I might clear the matter. What you are saying that you need extra money for one particular additional post, that whatever extra staff may be in the Waterport Station will be by means of transfer of existing staff. Is that the position?

HON CHIEF MINISTER:

This is the implementation of one of the aspects of the recommendations of the Committee of Enquiry.

HON G T RESTANO:

Mr Chairman, he still hasn't given us the functions. He says that the man is going there because of the recommendations of the Committee of Enquiry. He has told us that he is the Secretary of the Steering Committee but what is he going to do at the Waterport Power Station for six months?

HON DR R G VALARINO:

Mr Chairman, administrative support to the City Electrical Engineer.

HON G T RESTANO:

What exactly does he mean by administrative support? That could cover a multitude of things.

MR SPEAKER:

I presume he will be the man at the Waterport Power Station responsible for the administration and directly reporting to the City Electrical Engineer.

HON G T RESTANO:

But how is he going to administer, Mr Chairman, if the Government haven't yet taken over the Power Station?

MR SPEAKER:

Perhaps that is a question you may wish to ask.

HON DR R G VALARINO:

Mr Chairman, he will help in drafting papers, keep accounts and all matters of the nature in which an HEO is involved in Government.

HON G T RESTANO:

But, Mr Chairman, what accounts can there be if the station has not yet been taken over by the Government, what accounts is he going to run?

HON P J ISOLA:

I think the Minister said that this follows the recommendation of the Committee of Enquiry. Well, I am looking at the recommendations of the Committee of Enquiry and I find no recommendation recommending this. Can the Minister perhaps, since he has told us it is a recommendation of the Committee of Enquiry, as I have got the report in front of me could he tell me which recommendation he is referring to?

HON CHIEF MINISTER:

I haven't got the Committee of Enquiry's report in front of me but I seem to recall and it is a matter which has been the subject of considerable representations by the City Electrical Engineer, that he has not had sufficient administrative support and that he has had to be concerned with a considerable amount of administrative matters which have taken him away from the more technical matters for which he is much more qualified and better to be able to devote having regard to the problems facing the new power station.

HON P J ISOLA:

Mr Chairman, I thank the Chief Minister for that explanation but I am disturbed that the Minister should tell us this appointment has been made as one of the recommendations of the Committee of Enquiry and as I can see it, I have got it in front of me, I read paragraph 15 through twice, I may have made a mistake, but I see no recommendation for the appointment of a Higher Executive Officer to the Electricity Department. What I do see are a lot of recommendations none of which appear to have been implemented, a lot of recommendations about how it should be sorted out, what I do know that we are voting and I can now remind the Minister that it is in the Hansard, almost £4,000 a week for Mr Edwards and actually my calculation, Mr Chairman, of the last time that we voted is that the six weeks are up and that the Minister possibly should have come here for more money to continue being able to pay Mr Edwards. What I am concerned is that the Minister should tell the House that this appointment is following a recommendation of the Committee of Enquiry and then not being able to tell us which recommendation or which paragraph it is and I tell him that I cannot see any such recommendation in the Committee of Enquiry Report.

MR SPEAKER:

Perhaps the Minister would like to reply to that.

HON DR R G VALARINO:

Mr Chairman, I haven't got a copy of the Report.

HON P J ISOLA:

I can lend my copy to the Minister.

HON DR R G VALARINO:

There are two copies, there was a preliminary copy and a full copy. I wonder whether the Honourable Member opposite has got both copies.

HON P J ISOLA:

The one I am reading from is the urgent one, the Interim Report, that's the one.

MR SPEAKER:

If the Honourable Minister is quite satisfied that the statement he has made is correct that is the end of the matter.

HON DR R G VALARINO:

Yes, Sir, I am quite sure that this was recommended but there were two reports, one was the Interim Report and the other one was the full Report. I would be grateful if the Honourable Member would let me have both then, possibly, I could show him.

HON P J ISOLA:

It is the Interim Report I am looking at.

HON CHIEF MINISTER:

The main recommendations regarding the structure and so on are incorporated in the second report. I am sure that that is the case.

HON G T RESTANO:

Can the Minister say why it is for a period of six months. Does he not expect to take over the Power Station before six months.

HON DR R G VALARINO:

The six months, Mr Chairman, is up to the end of the financial year.

HON G T RESTANO:

Mr Chairman, under the King's Bastion fuel which is broken down into cost of fuel and generation levels. Can we have an explanation as to what generation levels mean?

HON DR R G VALARINO:

The increase in the generation levels, Sir, in the unit generation at the time that we prepared the paper was in the region of 6.34%. This is probably now much higher because last weekend we had an increase of 22% in generating levels over the previous week last year. At the end of the year we will probably find that the increase in units generated will be well over 7%.

HON P J ISOLA:

Mr Chairman, what puzzles me about this vote of increases in cost of fuel is that for the last three months we have been hearing of fuel prices going down so why is it that Gibraltar pays more? On the spot market fuel prices have been going down for many many months quite apart from the reductions officially made does the Government not buy its fuel through the spot market or is it paying the normal prices of Opec and so forth because as I understand it in the spot market fuel prices are \$4 and \$5 a barrel less, not now they have been so for some months.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We buy through Shell, obviously, Mr Chairman. There was a slight decrease in October which lasted only a month and then the cost of marine diesel went up by about 5% and the recent decreases have not worked their way through here because they buy in fairly small packets and they haven't reached that market.

HON P J ISOLA:

Mr Speaker, could I ask the Honourable the Financial and Development Secretary to take this up with Shell because there is no question about it in my mind that although the official prices have been kept until now when they have actually gone down but have been kept more or less at the Opec levels for the last six months, it is a well known fact that in the spot market the prices have been going down consistently for the last six months and I am sure that Shell must be buying in the spot market and not buying at official Opec prices and therefore some of the benefits should be passed on to the purchaser of the fuel, the Gibraltar Government. Could I ask him to take that up?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Certainly, Mr Chairman.

HON CHIEF MINISTER:

There is also the question of the devaluation of the pound against the dollar and the spot market is on dollars.

Item 3 Head 4 Electricity Undertaking was agreed to.

Item 4 Head 5 - Fire Service

HON G T RESTANO:

On the Public Utility Costs. Can the Minister explain how in all other departments Public Utility Costs have gone up and yet this one with these extra monies being appropriated, will achieve at the end of the day the same expenditure as the previous year. Are they spending less?

HON DR R G VALARINO:

Mr Chairman, Sir, it is comparable to last year. In fact at the time we were doing the Estimates this was underestimated by Treasury and the amount now sought is comparable to the previous year's expenditure. We have managed to keep it down.

Item 4 Head 5 - Fire Service was agreed to.

Item 5 Head 8 - Housing

HON W T SCOTT:

Mr Chairman, on subhead (5) Upkeep and Operation of Centres. What Centres and where?

HON J B PEREZ:

Mr Chairman, there are three; North Gorge, known as the Filipino hostel and there are two in Town Range, one I think is 15 Town Range and the other one which is commonly known as "La Cueva".

HON A J HAYNES:

As I understood it Town Range was going to have water meters introduced.

HON J B PEREZ:

Mr Chairman, they are at present being installed.

HON A J HAYNES:

Does that mean that we cannot expect more increases in the future?

HON J B PEREZ:

That would be correct as far as that particular section is concerned. They are in fact being installed now by the PWD.

HON A J HAYNES:

Are any meters intended for operation in the Filipino Hostel?

HON J B PEREZ:

In the Filipino Hostel there are no meters as far as the general ablutions are concerned but if individual tenants instal a water supply within their premises then they have individual meters. They are in existence already, Mr Chairman.

HON A J HAYNES:

What percentage of the £10,000 increase relates to Town Range and what percentage relates to the others?

HON J B PEREZ:

I haven't got that exact information with me now. It is really for the three Centres.

Item 5 Head 8 - Housing was agreed to.

Item 6 Head 10 - Judicial was agreed to.

Item 7 Head 11 - Labour and Social Security

HON W T SCOTT:

Mr Speaker, could I ask the Minister why there has been this need to employ additional staff.

HON MAJOR F J DELLIPIANI:

Sir, this was the subject of staff inspection by Management Services and this is what they recommended. Obviously there is an element of the Spanish registration of pensioners on this matter and the fact we have a bigger turnover in money because of supplementary benefits and pensions and the number of unemployed. Also because of this we have been able to give you more exact figures on unemployment.

HON P J ISOLA:

I dispute that last comment, in fact, Mr Speaker. It was precisely that that I was asking earlier on in the proceedings of this House. I don't think Government could have pre-empted that question.

HON J BOSSANO:

When the House passed the motion on the need to increase the ability of the department to handle infringements of the law as

regards employing labour without permits and so on and subsequently the Government brought a Bill to the House increasing the penalties for people being employed without a contract, I asked the Minister to ensure that in fact the department would be strengthened in the area of Labour Inspectors whose duty it is to check on whether people employed have had valid contracts established and agreed with the department. Can he tell me whether there are extra Labour Inspectors included in this and if not why not?

HON MAJOR F J DELLIPIANI:

There are no extra Labour Inspectors in this because this Management Services study was carried out before the question of the penalties increase was done. It is something that I will pursue.

HON W T SCOTT:

Can the Minister say whether there is any element contained within this sum for the registering of unemployed Spaniards from across the border?

HON MAJOR F J DELLIPIANI:

Yes, in our offices at the ex Key and Anchor Club we take the particulars of the pensioners, we take particulars of people who are looking for employment.

HON W T SCOTT:

I can understand the question of pensioners, Mr Speaker, but quite frankly as far as the expense that the public is being put to to be able to register unemployed Spaniards with the unemployment situation that we have in Gibraltar, it seems to me to be throwing money down the drain and I would like the Government to comment on that.

HON MAJOR F J DELLIPIANI:

I haven't got the latest figures but I think it is about 1,000 Spaniards who have shown an interest in getting work in Gibraltar. I don't know of any other way to handle it except having probably a police cordon in front of The Haven stopping people from coming in and questioning what they are here for.

HON W T SCOTT:

Is the Minister saying that the more Spaniards that come across the border to register the more employees his department will have to have and the more often he will come to this House seeking more money?

HON MAJOR F J DELLIPIANI:

No, Sir.

Item 7 Head 11 - Labour and Social Security was agreed to.

Item 8 Head 12 - Lands and Surveys

HON G T RESTANO:

Mr Speaker, under (b) with regard to the explanatory remarks, I noted, I think it was with the Passport Office, that Government passed a comment that it was cheaper for them because of the high rent that they had to pay to a private landlord, that they were moving into part of the premises which had been occupied by the old Girls' Comprehensive School. Why has not the same occurred with the Industrial Relations Section?

HON A J CANEPA:

They were already occupying accommodation in Secretary's Lane and we have had notice given for a very high increase in rent. The Government already had a flat there which the person that it was earmarked for in the event preferred to move into some other quarter, I forget the exact details. We have a lease on this flat for a certain period of time and it works out much more cheaper for the Government to make this small conversion, take over the flat and use it for the Industrial Relations Division at a much lower rent than what we were being asked for otherwise. We are at the moment having a very comprehensive look, generally, into the provision of Government office accommodation and we hope in the Improvement and Development Fund in connection with the budget to bring fairly wide-ranging proposals involving conversion of existing Government buildings into office accommodation for a number of departments.

Item 8 Head 12 - Lands and Survey was agreed to.

Item 9 Head 13 - Law Offices.

HON P J ISOLA:

Have the arbitration proceedings been concluded?

HON ATTORNEY-GENERAL:

No, Mr Chairman, I would suggest that if the Hon Member wants further information he might like to put a question for the next meeting.

Item 8 Head 12 - Lands and Surveys was agreed to.

Item 10 Head 14 - Medical and Public Health.

HON G T RESTANO:

I notice that there has been a reduction in the conditioned hours. Can the Minister explain what those hours now are?

HON J B PEREZ:

It is a reduction from the 40-hour working week to 37½ hours.

HON G T RESTANO:

Was there any reason for that?

HON J B PEREZ:

Parity.

HON W T SCOTT:

Mr Speaker, I had a question in fact on Subhead (1) Personal Emoluments. Mr Speaker, surely the negotiations leading to a drop in hours of working from 40 to 37½ is part of the pay settlement?

HON J B PEREZ:

Not in this particular case. It wasn't part of the pay settlement.

HON W T SCOTT:

Can the Minister say why not?

HON J B PEREZ:

The monies did not come from the vote at estimates time under pay settlement. What I require the money for is overtime because obviously if they are now working 37½ hours a week instead of 40 and we want to maintain the same level of manning of wards, each particular employee gets an extra of whatever overtime is necessary in any event, gets paid 2½ hours overtime apart from the normal level.

HON W T SCOTT:

I am aware of that, Mr Speaker, but what I am trying to illustrate to the Honourable Member is that the overtime payable is in fact not overtime obviously that was envisaged originally in the year but as a result of a pay settlement and because of that I would have felt, and I am asking the Minister for an explanation, why this does not appear in the re-allocation as part of the pay settlement?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, it is because the Treasury takes rather a purist view on transfer of funds out of the pay settlement. We

only allow the transfer over where there is the percentage increase on the salaries and any incidentals that arise from the re-negotiation which causes the increase in pay. We come to the House and seek supplementary provision so that the House knows what happens. I think that it could obscure, had it been transferred as we could have done, from the vote by re-allocation, it would have obscured and the House would not have been aware of the change in the 40-hour week.

HON G T RESTANO:

I see Pharmacists are now getting a flat 28% on cost. What were they getting before that?

HON J B PEREZ:

39½p per item.

HON G T RESTANO:

And does the Minister have an idea what more or less that represented in percentage terms?

HON J B PEREZ:

It depends for which particular year. I think the average would have been from 20% to 22½%. The claim has been pending for quite a long time and I am happy to be able to bring to the House that we have at long last negotiated this matter satisfactorily.

HON G T RESTANO:

The increase in the cost of drugs supplied is £35,000. Is the Minister satisfied that he is getting good prices for the drugs that are being supplied?

HON J B PEREZ:

The honest answer is no.

HON G T RESTANO:

What is he doing about it?

HON J B PEREZ:

The matter is being at present investigated by the Management Services Unit and we are seeking advice from the relevant authority in the United Kingdom. There is a report available which came out recently in UK which we have a copy of.

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

Item 11 Head 15 - Police

HON A J HAYNES:

Will the Government confirm that part of the cost in investigation expenses are the result of police officers having to personally take samples to be analysed in the United Kingdom by hand. They have to travel to England even if it is for a matter which is relatively a small amount of an unknown drug. They stay there 2 or 3 days, their expenses are paid, they return a week or two later again for a 3 or 4 day round trip, and the cost to the taxpayer is out of all proportion. Is there nothing that the Government can do to ensure that the drugs that are sent to the United Kingdom for investigation and analysis are taken and brought back without incurring the very high cost which also results in police officers being away from their duties.

HON ATTORNEY-GENERAL:

Mr Chairman, my understanding is that these items do include the taking of samples to the United Kingdom for analysis. As I am sure the Honourable and Learned Member knows it is essential that somebody does take them. I think, although I will look into this, the police usually take the opportunity to do other things as well when they are out there. I am quite sure myself that the Commissioner of Police is aware of the need to keep costs down as much as possible but I will certainly discuss with him whether it is possible to improve it. But to come back to the basic point, I think the Honourable and Learned Member must know that it is essential that samples be taken by a courier, as it were, or by a police witness and collected by him.

HON A J HAYNES:

Sir, whilst I appreciate that there is an evidential requirement to establish in court beyond all doubt that the sample that you produce is the one that was taken from the person and is the one that was sent to England for analysis, it does not nevertheless mean that the same Police Force have to put a police officer to effect that business. I am informed that in previous years, say, 10 years ago or earlier, there used to be an arrangement whereby the samples were taken to England by hand of the pilot. The courier in those days was the pilot. Perhaps the introduction of a courier service or the facility to the courier service of some other form would be cheaper than that to a police officer. I take the point that when a police officer can usefully be employed in England doing a course or whatever, that would be an appropriate occasion to use his services as a courier. But on occasions when there is no such need, we are talking about an inordinate cost of the process of justice which I believe can be cut down considerably without jeopardising the prosecution of cases in Gibraltar.

HON ATTORNEY-GENERAL:

Mr Chairman, defence Counsel these days are much more demanding in these matters. I do not really think it is feasible for

somebody other than a police officer. I think if there is room for improvement, I don't concede that there is but if there is, then I think it must surely be on looking at ways and means of reducing the time that is spent going to and from.

HON H J ZAMMITT:

Mr Speaker, may I enlighten the Honourable Member. I think he is wrong. The Police have always sent a policeman over with narcotics or drugs and it has never been left to the pilot or anybody else purely because people in his own profession, lawyers, would very cleverly point out some breakage of link, or linkage, with a particular item and therefore the evidence that lawyers look up so minutely has always been, and I can speak from personal experience, has always been taken to Scotland Yard or whichever other laboratory by a police officer.

HON A J HAYNES:

Sir, I do not propose to quibble with the Minister as to whether the hand of pilot system existed, this was my information from the Police Force, if his memory serves him differently, well, it is neither here nor there, Sir.

MR SPEAKER:

What you are interested in is in mitigating the cost.

HON A J HAYNES:

Exactly. Alternatively, Sir, if the police are adamant that they will be unable to prosecute cases, and that is something which I do not accept, if they are unable to devise a system which will be able to resist the efforts of defence lawyers, then why should they not consider the installation in Gibraltar of a small forensic laboratory to be run perhaps by the Medical and Health Services and their laboratory facilities which would facilitate the analysis of drugs at least and thereby mitigate the cost on that matter. I am concerned that the cost should be mitigated unless of course the Attorney General is saying that these are perks which provide police officers with holidays.

Item 11 Head 15 - Police was agreed to.

Item 12 Head 16 - Port

HON A J HAYNES:

What were the additional services and how were they offset by revenue?

HON A J CANEPA:

Mr Speaker, these are the ongoing services, I think a distinction

has to be drawn when one comes to the House for a small sum of money on an ongoing item, as against Item 81 or 82, where one is coming near the end of the financial year for supplementary funds under a new item. At the beginning of the year it is estimated that the service which is provided by the Surveyor that the Port Department employs that, roughly, that is going to require a sum of about £2,000. In the course of the year a bit more work has to be done by the surveyor and if you find that the sum of £2,000 which is a small sum is inadequate one has got to top it up, as it were, by an addition of £500 but I cannot give him specific details on something that is an ongoing thing throughout the year.

HON A J HAYNES:

Sir, my only concern was whether this sum could have been anticipated.

HON W T SCOTT:

Sub-Head 82, Mr Chairman. May I ask the Government if this loan is interest related?

HON A J CANEPA:

Mr Speaker, the loan will be repaid in 5 equal instalments of £5,000. The first repayment will be due 24 months after the first drawing on the loan and the second and subsequent repayments will fall due at 12 monthly intervals. Interest at the rate of 8% per annum and calculated on the basis of a 365-day year for the exact number of days elapsed will be payable yearly. The first interest payment is due 12 months after the first drawing of the loan.

HON W T SCOTT:

I am grateful for that, Mr Speaker. Will the Honourable Member say, although it is not a Government Department, whether the purchase of this boat went out to tender?

HON A J CANEPA:

No, it did not go out to tender.

HON G T RESTANO:

Is Government satisfied of the reasons why the Department should not go out to tender?

HON A J CANEPA:

The Pilots are self-employed. The Government only has control over them to the extent that the Captain of the Port is the Pilotage authority but it does not go any further than that. Government cannot tell these people how they should go about purchasing a new boat, they are self-employed independent people.

HON G T RESTANO:

I can appreciate that but except in the circumstances where they do ask Government for a loan of this size. Secondly, does the Minister know of the source of origin or the country of manufacture of this boat.

HON A J CANEPA:

I heard about it yesterday or two days ago, Mr Speaker, I understand that the boat has been purchased from Algeciras.

HON W T SCOTT:

And does the Minister consider this an ideal circumstance, where the public of Gibraltar have been asked to lend money to a quasi Government Pilots Association to use money to purchase from a country that up to now has had anything else other than a hostile attitude to Gibraltar?

HON A J CANEPA:

It was the fact, I think, that they are providing a quasi public service which weighed rather heavily with the Government in deciding that in fact we should give them reasonable terms for a loan. I was not aware, I must confess, at the time that the boat was not being built in Gibraltar. It could well be, I do not know, that the size of boat required may not be possible to obtain in Gibraltar. But if it can be obtained in Gibraltar at a reasonable price, naturally, I would very much have preferred that the money would have stayed here.

HON A J HAYNES:

Will the functions of the Gibraltar Pilots Association boat be any different to the Port launch?

HON A J CANEPA:

Yes, completely. The Port Launch is used by the Port Department in connection with its duties and functions. The Pilots' boat is used by the pilots to convey them to and from vessels which require piloted services. That is quite independent.

HON W T SCOTT:

Mr Chairman, I am still not entirely happy with the situation. I would like to ask the Government what is their criteria for loans.

HON A J CANEPA:

I do not think that the Government has general criteria with respect to loans. If the request is made by a sports club, the Sandpits Lawn Tennis Club, certain criteria are applied, I do not think that the same criteria can be applied in this case.

What we took into account here was that a year ago, or just over a year ago, a fund was created under the Embarking and Fees Rules. It was intended to set up a fund for the purchase and maintenance of pilotage boats. In the event, the revenue that has accrued to the fund has been insufficient to enable them to set money aside to purchase the boat because the existing boat is so old and requires so much money to be spent on maintenance that that, together with the wages that they pay, they employ somebody, they may have a full-time industrial employee, together with the wages of that industrial, together with the high expenses on maintenance, it has not been possible for any money to accrue to that fund. It is hoped that as a result of purchasing a new boat maintenance costs will go down to such an extent that that, together with a small increase which we are allowing in these fees, I think, as from the 1st of March, should enable a proper fund to be set up in the future.

HON W T SCOTT:

Is the Minister satisfied that value for money has been provided within the £25,000?

HON A J CANEPA:

If the Honourable Member is asking whether they are getting a good boat for £25,000, the answer is that I do not know, quite honestly.

HON W T SCOTT:

Should not the Government ensure by perhaps people that it has in its employment qualified to be able to advise on this, to solicit this advice before it asks the House to vote the funds?

HON A J CANEPA:

I would imagine that the Pilots themselves should know whether they are getting a good boat and I would imagine that the Captain of the Port must be satisfied that the Pilots know that they are getting a good boat.

HON W T SCOTT:

Mr Speaker, I am certainly not at all happy with the situation.

HON A J CANEPA:

If I might explain further, Mr Speaker, the Pilots approached me just before Christmas. They were seeking a loan to meet the cost of the boat which was already ordered and nearing completion. I do not think that this is the only boat that they are going to require because I think that they use 2 or 3. The likelihood is that they will be having to purchase a second boat before long. I will certainly press them very hard if they approach the Government again for another loan in connection with where the boat is going to be built and I will need to be satisfied that that boat cannot be provided within Gibraltar for

the Government to entertain any further requests for a loan.

HON J BOSSANO:

The Government has in fact not been willing to take over the responsibility of providing the boat itself, is this not the case?

HON A J CANEPA:

That is the case, Mr Speaker, yes.

HON J BOSSANO:

And does not the Government think that if it wants to lay down conditions for people who are self employed but whose income is determined by the Government controlling what they can charge for their service, the Government cannot do both things, it cannot tell people how they must spend their money and refuse to take on the responsibility itself, surely.

HON A J CANEPA:

No, I don't think that we can, Mr Speaker, but one can probe a little bit further than has in fact been the case. I think there are limitations within Gibraltar as to the type of boats that we can provide. As I say, I would need to be satisfied and it might well be that I would be satisfied that every effort has been made to get the right sort of boat within Gibraltar that it cannot be obtained and in the circumstances it is fair that they should get it from outside, I do happen to know that there are people in this business of building boats in the bay who have a good reputation, who are good, I am pretty certain that the Pilots are getting a good boat because the expertise is there.

HON J BOSSANO:

And surely, also the Member will agree that since it is the pilot's life that is at risk they have got an inherent interest in ensuring that the boat is a good one and it does not sink in the bay.

HON W T SCOTT:

Mr Speaker, on the basis of the last comment passed by the Minister and that is that we are not entirely satisfied on the criteria applied, we on our side of the House will be voting against that, but in voting against this let me add that it is not because we do not consider that the Pilot's Association do not require the £25,000 or that in fact that they do not require 1, 2 or 3 more boats, let us make that absolutely clear. It is only because we are not entirely satisfied with the manner of approach leading to the end result that it has had.

HON A J CANEPA:

That is quite valid, Mr Speaker, but I would also ask the

Honourable Member to bear in mind one thing and that is that we have to provide a competitive service to shipping, and if the pilots approach a bank for a loan and the terms which the bank give are very unfavourable, then the comeback will be on the Government. The pilots will then have to make a case for a further increase in the embarking fee which if that becomes a pattern of life, if that becomes a regular feature, could make us uncompetitive. The Government also has to weigh that up, that the terms which they were offered by the bank were stiff terms, they were too stiff, really, and the Government also has to take that into account.

On a vote being taken on Item 12, Head 16 - Port, Sub-head 82(N) Loan to Gibraltar Pilots Association, 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 Loddie
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

Item 12, Head 16 - Port, was passed.

Item 13 Head 17(1) - Post Office, Post Office and Savings Bank
was agreed to.

Item 14, Head 20, Public Works Annually Recurrent

HON W T SCOTT:

Subhead 25, Carparks. What are the hours that are envisaged of opening of the Western Beach carpark which would require the three car park attendants?

HON M K FEATHERSTONE:

8 a.m. to 10 pm., Sir.

HON W T SCOTT:

How many days of the week, is it 7?

HON M K FEATHERSTONE:

Seven days a week.

Item 14 Head 20 - Public Works Annually Recurrent was agreed to.

Item 15 Head 22 - Secretariat

HON W T SCOTT:

Subhead 5, Public Utility Costs, where it is said that it is underestimated. Has Government taken account on the remark where it says there has been an increase because of telephone rental, that there has been a backdating and a reduction in telephone rentals to the 1st of January this year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, the point here, I think, is that there has been a whole new telephone system put into the Secretariat whereby instead of going through the telephone operator, one can now get through direct to offices as well as going outside and this has slightly increased the number of telephones.

Item 15 Head 22 - Secretariat was agreed to.

Item 16 Head 23 - Telephone Service

HON W T SCOTT:

Mr Speaker, is this as a result of staff inspection?

HON DR R G VALARINO:

Yes.

Item 16 Head 23 - Telephone Service was agreed to.

Item 17 Head 24(1) - Tourist Office, Main Office

HON MAJOR R J PELIZA:

Mr Chairman, I wonder if the Minister could explain why it has been found necessary to upgrade the Clerical Officer Post to

Executive Officer. What sort of job would he have to do there now that he did not do before and what can we expect as a result of that?

HON H J ZAMMITT:

Let me start in the reverse order, Mr Speaker, and say what you can expect. I think we can be very proud of the air terminal we have today and what happened there was that the upping of the Clerical Officer to Executive Officer was to make sure that we had somebody at the air terminal permanently in charge, together with other responsibilities. Because of the extension of the air terminal there is a need to employ additional cleaning staff to ensure that the standard of the air terminal is maintained.

HON MAJOR R J FELIZA:

The Minister thinks it has been necessary, but why? I think we must be very conscious particularly now, of containing our expenses, otherwise we are going to find ourselves in difficulties. Is it absolutely necessary? This is a completely new post, is it?

HON H J ZAMMITT:

No, Mr Speaker, it is not a new post. The situation is possibly complex. The Airport Manager is the Director of Tourism. We never had anybody there other than probably 15 years ago when there was somebody at the airport, but that was before the frontier closed when we had 8 flights a day. Since the frontier restrictions we have had nobody permanently at the airport, certainly not in the clerical grade. The Honourable Member may be thinking of somebody we had there as a porter-cum-general supervisor. Now we have a clerical man there, who is in charge of an attendant, a boy labourer, the cleaners and the whole set-up. In addition to that he has other responsibilities. I can tell the Honourable Member that he is also responsible for all the sites, St Michael's Cave, the Tower of Homage, the Upper Galleries, and all the other tourist sites that we have. It is a new post required specifically so that we do not allow the air terminal to deteriorate as unfortunately happened before we refurbished it.

HON MAJOR R J FELIZA:

I agree that the air terminal looks better and I was going to congratulate the Minister on the cleanliness. However, I notice that he has mentioned other staff so it is not just the fact that it is going to cost us more on the upgrading of this post, which is now going to be permanent and I do not know whether that will have repercussions in another place where very quickly you may need somebody else there because this is the way empires are built. I just wonder if he can tell me, overall, how much more the new arrangement for the air terminal is going to cost us taking all the other people that are now going to come under this new post?

HON H J ZAMMITT:

I haven't got all the figures in front of me of the six part-time cleaners, of the boy labourer or of the attendant who is there permanently now, of the girl that we have behind the counter, receiving and giving information. I haven't got it now but I dare say, Mr Speaker, that the cost is some £25,000, I dare say.

MR SPEAKER:

In any event this is a matter which has to be cleared up when we come to the budget meeting. The extra cost is obvious from the extra funds being appropriated, the extra cost for the current year is £9,700.

HON MAJOR R J FELIZA:

I just wonder if the Minister could let me have the information as soon as he can get it because one has to watch how the cost is gradually creeping up.

HON H J ZAMMITT:

I would remind the Honourable Member that most of the damage that we have suffered at the air terminal was because there being no one there permanently and we found an awful lot of people going in, damaging the seats, damaging the toilets, and I think we all know the state it was in before and the state it is in today which as I say, I think we can be very proud of.

HON MAJOR R J FELIZA:

Mr Speaker, under the same Head (b), the engagement of three additional clerical officers. I wonder why that is necessary and where they are?

HON H J ZAMMITT:

Mr Speaker, those three Clerical Officers were taken up by the Department in anticipation of the opening of the frontier, that is, when we thought the frontier would open not in the way it has opened. Out of those 3 we only have one who we have positioned at Four Corners. With regard to the other two, I think I am accurate in saying that one is being paid by us but absorbed by the Police Department and the other one is somewhere in Secretariat. Although they are included in my vote because they really are our girls, we really have no major function for them to work for the Tourist Office and therefore they are deployed elsewhere but, hopefully, when things get better they will be doing tourist work.

Item 17 Head 24(1) Tourist Office, was agreed to.

Item 18 Head 25 - Trading Standards and Consumer Protection

HON W T SCOTT:

Mr Speaker, this is a matter of personal interest, Mr Speaker, although the sum is obviously quite small, £500, but it seems to me rather out of proportion in respect of repairs and freight charges of Balances of precision.

HON A J CANEPA:

What happened, Mr Speaker, is that these precision balances have to be sent to the UK either for testing and or repair every 3 or 5 years. What has probably happened is that because the last occasion that they were in fact sent may have been say three years ago, an estimate was made of what it would cost to have them repaired and to meet the freight charges and the estimate provided was £700. In fact, when it comes to the crunch and arrangements have been made, we have found that over the intervening period the cost of having the service provided and for the freight charges has turned out to be much higher than what we anticipated. If it were an annual thing we would be able to keep tabs on it rather better but certain balances are sent every 3 years, others every 5 years and so on. They are the standard balances against which other balances in Gibraltar and other scales are tested.

Item 18 Head 25 - Trading Standards and Consumer Protection was agreed to.
Schedule of Supplementary Estimates Consolidated Fund (No 4 of 1982/83) was agreed to.

HON DR R G VALARINO:

Mr Speaker, Sir, before we get on to the Improvement and Development Fund, I would like to clear up a matter which was raised by the Honourable and Learned the Leader of the Opposition. The Committee of Enquiry 1982 final report says, and it is page 7-3(4) and I shall quote: "An administrative Officer located at Waterport and supernumerary for an initial period should be given specific duties related to financial and personnel matters. Areas of influence appropriate to this post would include, amongst others, purchasing and contract coordination, stores and stock control administration and management accountant system development. The City Electrical Engineer and his Deputy should set out a programme of managing systems and procedures that require development and make the administrative officer responsible for their successful implementation". Mr Speaker, this is one of the recommendations of the Committee of Enquiry.

MR SPEAKER:

We will go on with the Improvement and Development Fund.

Schedule of Supplementary Estimates Improvement and Development Fund (No 4 of 1982/83) was agreed to..

Item 1 Head 101 - Housing

HON W T SCOTT:

Mr Chairman, might I ask Government, what is the total sum of this project now as envisaged at the time of going out to tender?

HON M K FEATHERSTONE:

I am afraid, Sir, I do not have that information at hand but I can send it to the Honourable Member.

Item 1 Head 101 - Housing, was agreed to.

Item 2 Head 102 - Schools

HON A T LODDO:

Mr Chairman, the remark says "Cost of project revised". Is it because there has been further equipment brought in, or is it because it was underestimated?

HON M K FEATHERSTONE:

I beg your pardon, I seem to have been at cross purposes. Wasn't the Honourable Mr Scott's question the total sum of the Westside School?

MR SPEAKER:

That was on Housing. We are now on Head 102, Schools.

HON M K FEATHERSTONE:

I apologise, I noted it down that he wanted the total sum of the schools. I will give him the total sum of the Castle Ramp Scheme.

HON W T SCOTT:

And the original tender sum, the original estimated sum.

HON M K FEATHERSTONE:

Yes, I will do that for you. And now, if Mr Loddio will be kind enough to repeat his question.

HON A T LODDO:

Yes, Mr Chairman. These £52,000. "Cost of the project revised". Is it merely that there was a mistake in the actual costing or is it that there has been further equipment brought in subsequent to the initial costing?

HON M K FEATHERSTONE:

Most of it is further work that had to be done. There was a considerable amount of asphaltting that had to be done and electrical supply had to be fitted in and there were some minor increases in actual costings.

Item 2 Head 102 - Schools was agreed to.

Item 3 Head 108 - Telephone Service was agreed to.

Item 4 Head 109 Public Lighting was agreed to.

HON W T SCOTT:

Mr Chairman, one last general comment if I may. We are very much concerned on our side of the House at the low figure that appears under Supplementary Estimates for the Improvement and Development Fund and this we can only take as obviously the lack of development particularly within the construction industry which is at a dearth in Gibraltar.

Schedule of Supplementary Estimates Improvement and Development Fund (No 4 of 1982/83) was agreed to.

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

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

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

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

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

THIRD READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Immigration Control (Amendment) Bill, 1983; the Public Service Commission (Amendment) Bill, 1983; the Trade Licensing (Amendment) Bill, 1983; the Public Health (Amendment) Bill, 1983; the Traffic (Amendment) Bill, 1983; the Public Utility Undertaking (Amendment) Bill, 1983, and the Supplementary Appropriation 1982/83 Bill, 1983,

have been considered in Committee and agreed to, in the case of the first three Bills, that is, the Immigration Control (Amendment) Bill, 1983; the Public Service Commission (Amendment) Bill, 1983 and the Trade Licensing (Amendment) Bill, 1983, with amendments, and in the other cases without amendment, and I now move that they be read a third time and passed.

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

PRIVATE MEMBERS' MOTION

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that Spain has no jurisdiction over the Gibraltar airfield and should have no say in its present or future use". Mr Speaker, the motion that I bring to the House has the same purpose as many other motions that I have brought related to the aspirations that Spain has over Gibraltar and the questions that I asked in the earlier part of the House concerning the right of the Gibraltarians to determine what the nature of the relationship between Gibraltar and Spain should be should Gibraltar be unfortunate enough to have to suffer the consequences of the implementation of the Lisbon Agreement. Mr Speaker, the Spanish approach to the question of the airfield is one which has suffered on a number of occasions. It has been a longstanding argument put forward by successive Spanish Governments and successive Spanish Foreign Ministers, that quite apart from the issue of the title of Britain to Gibraltar in the Treaty of Utrecht, that such title did not include the airfield which according to them is built on ground outside the city walls and outside the provisions of the territorial area conceded to Britain under the Treaty of Utrecht. Given that argument which, of course, Britain at one time offered to refer to the International Court and was not taken up by Spain, given that argument, it is reasonable to assume that the question of the airfield could figure prominently in any Spanish demand for concessions as a quid pro quo for the lifting of the frontier restrictions entirely. We also know, Mr Speaker, that when the pedestrian opening was announced, particular attention was drawn to the question of the Gibraltar airfield by no less a person than the President of the Spanish Government who made some mistaken comparisons about the subsidies that flights to Gibraltar received, presumably thinking that because Gibraltar is a cabotage route it necessarily follows that fares to Gibraltar are cheaper than they are to Spain. In fact, there is plenty of evidence to suggest that as far as charter operations are concerned, anyway, the opposite is more likely to be true. But, nevertheless, in the eyes of the Spanish citizen, the emphasis that has been put by the Spanish media on this suggests that it is an area which will be considered sensitive by the Spanish Government. And the argument that has been put has been put on the basis that a lifting of the blockade against Gibraltar should not result in Gibraltar gaining economically at the expense of Spanish economic interests. Therefore, one can visualise the possibility that was being mooted 12 months ago,

when there were very strong indications that the frontier was scheduled to open on the 20th of April following the meeting in London in the beginning of the year between Mrs Thatcher and Senor Calvo Sotelo, it was then being mooted that the Spaniards had already been given strong indications by Britain at that stage that movement on the airfield was possible. It is also said that it is not something that would be floated for the first time since it was in fact previously floated during the course of the Strasbourg process. Given those considerations it is not, I put it to the House, unrealistic to think that in the area of economic cooperation that the Lisbon Agreement mentions, the Spanish Government could be putting the case that the cooperation should lead to Spain having a say over flights landing at the Gibraltar airport and eventually a measure of control over reducing their own personnel. At one stage the plan that seemed to be going round in political circles in Madrid with the last Government was one where the Gibraltar Airfield would effectively be serving the community of Gibraltar and the community of La Linea as if it was effectively on neutral ground and therefore on arriving at the airfield one would not be arriving at Gibraltar, one would decide then whether to take one road which would be the access road into Spain, or another road which would be the access road into Gibraltar but one would not need to go through Gibraltar customs or through Gibraltar immigration in order to go straight into Spain. That seemed to be an idea that was thought to be particularly attractive to Spain as something practical, something consistent with economic cooperation mentioned in the Lisbon Agreement and something that could be sold politically as a major breakthrough for the Spanish side. I think it is important, Mr Speaker, that the Spaniards, if they do decide to go ahead with the full opening, should be left in absolutely no doubt that they can expect nothing in exchange. I asked in an earlier question whether the Chief Minister could tell me what were the measures of economic cooperation that Lord Belstead had in mind when he said in answer to a recent question in the House of Lords that the British side would be wanting to raise things with Spain and the Chief Minister was not able to tell me what Lord Belstead was thinking about although he gave me an indication that he had some idea which he is not in a position to divulge of what might be discussed under that heading. I think it is regrettable that he is not in a position to divulge that because I think one of the things that we are suffering from, and have been suffering from for many years, is that things are being discussed which affect the whole of Gibraltar and which very few people know about and I think people are entitled to express an opinion before it is discussed. I think it would be to the advantage of the Government to go into anything armed with the weight of public opinion for or against any particular stand that they have to take. In asking the House to support my motion, I feel that I am asking the House to take a stand which would have overwhelming public support in Gibraltar. I have no doubt in my mind that any Gibraltarian asked whether he would agree with this motion would answer affirmatively, except for a small minority that believes that there is a need for reconciliation with Spain and define, in my judgement, reconciliation as giving in to Spanish demands. I do not believe that this is necessary because as far as we are concerned there is nothing to

be reconciled over because we have never quarrelled with anybody, Mr Speaker, we have been subjected to a campaign to bring us to our knees which we have resisted for 15 years and it seems to me that we are in greater danger now than we have ever been throughout those 15 years when the tactic has been altered and we need to be much more on our guard now when the tactic of the other side has been altered. I think, Mr Speaker, that the Honourable Member also in an earlier question gave me to understand that although the Lisbon Agreement did not enshrine a commitment that the Gibraltarian element in the British delegation would be able to veto things that it was inconceivable that the British side should propose anything without the agreement of the Gibraltarian representatives and that if it was attempted the Gibraltarian representatives would come out publicly disassociating themselves from this and asking for public support. I welcome that assurance from the Honourable and Learned Member and in putting forward the motion, let me say that I am doing so to ensure that he is not put in a position of having to do that by being asked to agree to something like this which I am sure would be against his wishes.

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

HON CHIEF MINISTER:

Mr Speaker, I just want to say that I had not anticipated that we would get through the first part of the proceedings so early, and in fact some notes that I had prepared for the motion are not yet ready. We might save a lot of time if we could adjourn until the afternoon and proceed with this motion then.

MR SPEAKER:

We will then recess until this afternoon at 3.15 when we will continue the debate.

The House recessed at 12.25 p.m.

The House resumed at 3.35 p.m.

MR SPEAKER:

I will remind the House that when we recessed for lunch the Honourable Mr Bossano had moved his motion on the airfield, I had proposed the question and now I will invite any Member who wishes to speak on the question before the House to do so.

HON CHIEF MINISTER:

Mr Speaker, I had intended to deal at length, in fact I was even looking at the old records and command papers before Mr Bossano spoke about the question of the legal jurisdiction to provide

ample evidence to show that the attitude of Britain with regard to the sovereignty over the isthmus that Britain has stated categorically that it has no doubt whatever about the lawful sovereignty of the land on which the airport was built, but it is unnecessary for me to go over that because a lot of what the Honourable Member has said I accept and in fact he has stated the position himself, so I do not think that I need go into that. I was also pleasantly surprised to find that I could agree with a great deal of what the Honourable Member said on this matter in support of his motion. However, there are two points on which I disagree with him and I would wish to deal with these first and then I will talk on the substance. The first point is that he said that a number of things have been discussed in the past which affect the people of Gibraltar and the people do not know anything about that and that in his view the people are entitled to know and to express an opinion before they are discussed. Well, in reply to a question on Tuesday I said that matters to be discussed in negotiations under the Lisbon Agreement must necessarily be confidential at this stage. This is the normal position of any negotiator in any kind of activity and I can publicly state that I have never been a party in discussions of this nature in the past to anything that was either contrary to the principles which I hold or which would be repugnant to the people whom I represent on the ticket on which I have been represented.

HON J BOSSANO:

Can I clarify the point for the Honourable and Learned Member. I was not confining myself to the Lisbon Agreement, in fact, the memorandum that we took to the British Government signed by all the representative bodies, today, a year later, is still not known to the people and I am not sure the constitutional proposals that he took to Britain in 1975 have been made public yet, 8 years later.

HON CHIEF MINISTER:

Be that as it may, I thought the Honourable Member was dealing with, not the Lisbon Agreement about which there has been no discussion, but I took it by analogy he was dealing with matters connected with foreign affairs on which one is consulted. I take that point, and in fact, as I told the Honourable Member yesterday, I have copies for him of the document to which he referred, one of them. The second point which I want to make in disagreement is related to the first and that is that the Honourable Member said that he had no doubt that any Gibraltarian, except for a small minority, would agree with his motion. I agree with that and I am sure that the Leader of the Opposition agrees with that too. This illustrates the point that both the Leader of the Opposition and I are sufficiently in touch with and aware of local public opinion to be able to deal with these matters which come up affecting Gibraltar without having to discuss them in the House and making them public and giving the people the opportunity of expressing an opinion beforehand. One has to lead and not be led from behind. The opportunity will always be available, if necessary, once proposals are made and need to be

considered. I think that for that purpose all the necessary procedural safeguards already exist. First of all, the Leader of the Opposition and I will be present at ministerial level talks and will express our views as necessary and appropriate on such matters as may be raised. Secondly, any proposals which are made at subsequent talks at official level will be at referendum and the Leader of the Opposition and I will have the opportunity of being closely consulted on matters relating to Spain which relate to Gibraltar as we have been for many years. I said also earlier, at the meeting that there were areas of relations between Britain and Spain in which Gibraltar wasn't directly concerned and only insofar as Gibraltar is concerned our voice must be heard but I would go as far as agreeing that anything that has to do generally, whether it applies to Gibraltar or not, that one must be careful because we must be careful that in an indirect way the position of Gibraltar is not undermined. Finally, of course, the House is already on record, as I quoted the other day, to the effect that it considers that any proposals which relates to the rights and interests of the people of Gibraltar should not be acceded to without the agreement of their elected representatives who will be safeguarding the legitimate rights of all sections of Gibraltar and the identity of its people. Those are the exact terms of the resolution which was passed in 1980 which I quoted earlier in this meeting. I do not think that it is of advantage to Gibraltar and in fact it could be contrary to Gibraltar's interests to discuss publicly what our attitude would be to any particular proposal that might be put forward before the proposal is in fact made. We might be even inviting and putting ideas into people's heads as to what they might raise, or by finding out the areas which one has spoken about they could interpret that as being areas where we would be prepared to give way. It is as delicate as trade union negotiations at high level with employers. I agree with the Honourable Mr Bossano that the question of the Airfield has figured prominently in the past as a matter of particular interest to the Spanish Government and it has been mentioned recently in connection with the partial opening of the frontier. Indeed, I think there is as much a misunderstanding about this in high Government circles in Spain as I found there was when we went to Strasbourg and Paris with the former Foreign Minister about what they called the "overnighting" which they did not understand very well. To speak about Gibraltar's competitive of heavily subsidised air transport from London as being a menace to the Costa del Sol is I think speaking quite clearly about a matter on which they are not well briefed, if I may say so with the greatest respect of the new Government in Spain. I think they have really not got it right, they just do not know. But they are too far away to know, people around here may know. I also agree that the question of the airfield may be a major feature in the area of economic cooperation in any negotiations undertaken in pursuance of the Lisbon Agreement. I agree finally with Mr Bossano that in any such negotiation it is necessary to ensure that Gibraltar's economic interests are safeguarded. It is with this thought in mind that I think it is desirable to propose an amendment to the motion which might help to allay the Honourable Member's fears even though, as I have stated, all the necessary safeguards already exist. And let me warn the Hon-

ourable Member that I do not propose to move that all the words after "This House" be deleted. In fact, I propose to leave his motion completely untouched except for one word which is conjunctive which doesn't require it there, it requires it at a later stage, so he need not be unduly concerned about that. I have had the occasion previously, both in this House and elsewhere, to draw attention in particular to the words "mutual benefit" in the paragraph of the Lisbon Agreement to which I have just referred. For instance, in my submission to the House of Commons Select Committee on Foreign Affairs I said, and I quote "The phrase 'mutually beneficial basis' obviously excludes any matter which might be prejudicial to the rights or interests of either side - or even, simply, not beneficial to one side or the other". I also referred to this question of mutual benefit in Question No 88 that I dealt with on Tuesday. Although our views on mutual benefit are well known, I think they might be well expressed once again in the context of this motion and in the context of the fears expressed by the Honourable Member and therefore my amendment is to propose: (1) that a comma should be inserted after the word "airfield" in the motion and that the word "and" should be deleted, and (2) that the following words should be added after the word "use" in his motion: "and any proposals for practical cooperation - we must really take into account that there may well be talks and this matter will be raised and therefore I think if I may say so, even strengthen the position, certainly the concern of the mover in this matter - any proposals for practical cooperation in relation to the use of the airfield will fall to be considered under the terms of the Lisbon Agreement and must accordingly be of a mutually beneficial nature". I think this will be helpful to us as well in any talks if the question of the airport is raised because it will stress our belief in the part of the Lisbon Agreement on which we rely so much, apart from the commitment and so on, of the fact that anything that must be done must be of mutual benefit, that is, it cannot be for the benefit of one party to the detriment of the other but to the benefit mutually which means that it must be agreed by both sides. Sir, I beg to move.

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

HON P J ISOLA:

Mr Speaker, I am going to speak on the motion and the amendment because I don't think there is a need to speak just on the amendment. It is one of a series of motions that Mr Bossano brings from time to time to state the obvious as far as the House is concerned but he thinks and he feels that in Gibraltar people are worried about these things. And it is true, people are worried about any diminution of British sovereignty over Gibraltar and of course, as I understand it, all the political parties are unanimous in this as Gibraltar is. But I do not myself believe that there is a need for a motion on anything affecting sovereignty just because some newspaper somewhere mentions a possible solution or mentions this or mentions that. What

happens it that when a motion is put it rather makes people think that the thing is in doubt and there is no doubt as to how this House feels on the question of British sovereignty over Gibraltar. Mr Speaker, I venture to suggest that members of my political party, and I will not speak for the other political party, but certainly members of my political party, I would suggest feel rather more strongly on the question of British sovereignty over Gibraltar than the Honourable Member of the motion judging from what he says or what he has said in the previous debate on the Dockyard. There is a certain inconsistency, if I may say so, in the attitude of the Honourable Member. On one day in the Dockyard he starts a speech and proposes motions and amendments to motions which he knows can only lead to one conclusion and that is really "Brits get out", the next day he proposes a motion to keep the Spaniards out as well. So who is going to fill the vacuum, I wonder? Is it going to be us or is it going to be another country, is he advocating some other country coming in to bail Gibraltar out of its economic problems? There is a certain inconsistency in the Honourable Member even though he always claims to be extremely consistent in his arguments. Then, Mr Speaker, there is no other point that I would like to make. As far as the whole of the House of concerned I believe that we all know where we stand on the question of Gibraltar and we all know where we stand in the Lisbon Agreement and we all know that as far as the Lisbon Agreement is concerned the commitment in the Agreement to recognise the wishes of the people of Gibraltar and that they should be paramount is the big insurance that we have and we are all secure in that basis. What worries me about the motion which states the obvious, as I have said, and which we will support, is that it gives the impression, not in the House but it gives the impression outside the House that it is not just the Spanish Government that is trying to put pre-conditions to talks but also we are, too. The Spaniards on a number of occasions leading up to Lisbon, have tried to water it down, have tried to say: "Alright, we will talk but let us have first the problem of Spanish workers becoming EEC Nationals, when they are not, in anticipation of it". The argument which has always been used against them on this has been: "No, you cannot come with pre-conditions. You are having an agreement, you are going to sit down and talk about the problems, well, talk, you cannot say I will not talk unless you concede this that and the other". This particular motion is useless in the sense that it is accepted by us, we all know the position, I think the British Government is perfectly clear on the position, with regard how the elected members stand. I know the Honourable Member has the advantage of being able to put his views through a newspaper and he puts them regularly and they are known, obviously, to the British Government but as he does not participate in the bi-partisan approach on foreign affairs he has not really got direct access to the British Government. But the Honourable and Learned Chief Minister, and myself, are given ample opportunity to state what we believe to be the Gibraltar position and how the people of Gibraltar feel on the issues of sovereignty and on all the other issues that concern our security and our safety and therefore we are always putting this forward. So I am sure that the Honourable Member when he is putting this motion forward is not suggesting that we need to be reminded

about how we feel because let me assure him that we do not. Our position on Gibraltar, certainly the position of my party, is possibly somewhat clearer than the position of the Honourable Member who moves the motion. Mr Speaker, we have no doubt that the whole of Gibraltar comes under British sovereignty and we have no doubt that the Spanish Government have no jurisdiction over Gibraltar and, as I say, it is stating the obvious to put it in a motion. We are in no doubt about that at all and we are equally in no doubt that what the Spanish Government desires is not a piece of the airfield but the whole of Gibraltar. What the Spanish Government desires is sovereignty over Gibraltar and, frankly, if people think that by offering them a bit of the airfield they will go away and never bother us again, they are making a big mistake. Accordingly, Mr Speaker, there is no difficulty with us in supporting the motion and also, Mr Speaker, in supporting the amendment proposed by the Honourable and Learned Chief Minister to the motion because, clearly, if Lisbon is implemented in the spirit that we understand it, and that is in a spirit that is in the interests of Britain, Spain and Gibraltar that there should be no barriers between the countries, that there should be no continuation of a siege of Gibraltar or an attempt at the economic subjugation of Gibraltar by Spain, if that is the spirit of Lisbon, I am saying that is how we understand it, it may be it isn't on the other side, I do not know, but as we understand it, if that is the case then, obviously, there are a lot of matters that can be raised and can be talked about that, in my view, would not infringe on the essential principles by which we all stand. I think that the amendment allows people to talk about practical cooperation in relation of the user of the airfield or the use of the airfield. Let me stress to the House that it is my party's view that when you talk of use you are talking of use, you are not talking of jurisdiction, you are not talking of control and you are not talking of any joint operation, you are talking of use, of possible use. I think that all of us are very aware of the problems that could arise if we gave it any other interpretation and we are all aware of all the problems that arise and that can arise in Anglo-Spanish relations with regard to Gibraltar and in Gibraltar relations with Britain and Spain, we are all aware of these things and we must always be ever watchful about it. Therefore, we certainly, as the Honourable and Learned Chief Minister has said, if there is a proposal that is to our benefit, then we might agree it. If it is not to our benefit then we won't agree it, it is as simple as that. Accordingly, Mr Speaker, I find no difficulty in supporting the motion and the amendment, we have no difficulty in supporting both of them and that is about all I think I have to say. We have put our view on the question of sovereignty and so forth ad nauseam in this House and elsewhere and I think I would be belabouring the point too much if I were to go through it all again. Mr Speaker, we support the motion and the amendment.

HON J BOSSANO:

I do not accept the amendment, Mr Speaker, perhaps not surprisingly, I do not know whether anybody thought that I would. Let me say to the Honourable and Learned Member that I won't go into his interpretation of his concept of how British we all feel and all the rest of it because in fact the reference to the question

of Spanish jurisdiction is the only area in which I mentioned that the dispute on sovereignty over the Rock, in Spanish eyes not in British eyes but in Spanish eyes, was different when they come to the airfield which they claim is on land that was not included in the original agreement and only to that extent did I touch on sovereignty in my original opening remarks.

HON P J ISOLA:

The Honourable Member is surely aware that an offer was made to take the issue of the airfield to the International Court of Justice.

HON J BOSSANO:

I am aware, I said so myself, in fact. There is no need to be reminded of it. Yes, I said so. I am saying that that is the Spanish view, it is not the British view and, in fact, Britain offered to have the matter decided legally in the International Court at The Hague, I said so at the beginning. The House knows that I am opposed to the Lisbon Agreement, that I have been opposed since it was signed and I am as opposed today as I was then and that I will do everything in my power to ensure that the agreement is not put into operation. All the motions that I have brought to this House are motions which reflect not only what we all feel and what we all know but what I think is because we all know and we all think that these things are the way we feel in Gibraltar are also fundamentally incompatible with the very spirit of the Lisbon Agreement. We have got the clearest example of that, Mr Speaker, in a motion that says that it is being amended to add words which contradict what the original motion says because if Spain has got no say in the use of the airfield how can Spain then negotiate practical cooperation in relation to the use of the airfield? As far as I am concerned what Spain can do is to ask for landing rights in Gibraltar like Morocco or any other nation.

HON CHIEF MINISTER:

But that would be the use of the airport.

HON J BOSSANO:

Well, Mr Speaker, I think that if that is what is meant then we have to think of a word that is different from the words "use", because if we use "use" twice... Yes, I know it is my word and I think it is the right word in the first place because having a say in the use of the airfield, Mr Speaker, means that Spain can determine to what extent the airfield is used and who it is used by, that is what it means, having a say in it, and in fact that is their view. Because apart from their claim in recent times they have made it absolutely clear that the military use of the airfield in itself is a separate issue over which they also feel they have a right to have a say. As far as I am concerned, if we are talking about a situation where we want to attract more aircraft, more commercial use of the airfield, then it does not

matter what is the nationality of the airline. As far as we are concerned we treat them all the same. I don't think that Spain is entitled to be treated separately or differently from any other nation and therefore I would move a further amendment to the amendment by deleting all the words after the word "and" and substituting the words: "that any facilities that may be granted to Spain in any future cooperation must be on the same basis as it would be to any other third country and clearly beneficial to Gibraltar's economy". That removes any reference to the Lisbon Agreement. I do not think that it is our business to talk about the thing being mutually beneficial. I think the Honourable Member talks about trade union negotiations, well, I can assure him that in no trade union negotiations do either side, either the employer or the trade union side, go into negotiations with the clear objective of ensuring that what they come out with is mutually beneficial. They each go in with a clear objective of what is beneficial for them and what comes out of the negotiations by definition is a compromise which is mutually acceptable and beneficial to the extent that it is beneficial. I don't mean it is the business of the House of Assembly to ensure that whatever is agreed is beneficial to anybody other than Gibraltar, that is our responsibility. We must ensure that it is beneficial to us and it is up to the other party to ensure that it is beneficial to them. I certainly cannot support anything that makes reference to the terms of the Lisbon Agreement which I am opposed to and I will continue to be opposed to, and as far as the use of the airfield is concerned I think it must be stated clearly that the only thing that Spain can expect is to be treated in the same friendly way as you would treat any other country that might be interested in making use of the Gibraltar airfield and bringing more business to Gibraltar. I beg to move, Sir.

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

HON CHIEF MINISTER:

I think however realistic and in fact I give the Honourable Mr Bossano credit for normally being realistic, his non-acceptance of the Lisbon Agreement gives him an ostrich like attitude of burying his head in the sand and pretending that it isn't there, but it is there, the British Government is committed to it, we have been consulted throughout and will be party to any talks arising out of it and there is no getting away from it. Another thing is that it is no use saying that the user of the airport shall be the same as any other third country because the proximity and the conditions under which because of the proximity, let alone anything else to do with claims or anything, I would have thought that it would be a much more difficult situation to come to terms as to the user of the airport by South Korea, Thailand or Venezuela than it would be to come to an agreement, or what? - or Russia. I always forget that all the time but I hear he didn't even mention North Korea. So it is really burying your head in the ground and pretending it does not exist.

The Lisbon Agreement is one which we have to face and live with. It is extraordinary if you have regard to the overwhelming or the great feeling about people, to say that he is entirely against the Lisbon Agreement certainly the bulk of the people are not against that as has been shown in practical terms and not against that part of the Lisbon Agreement that says the restrictions should be removed as has been practically been found by the figures I gave about the number of crossings of that frontier, so anybody who says that he is against the Lisbon Agreement which provides for the opening of the frontier and thinks that that is what the people want, the facts of life are very different. People are very British, people want Gibraltar to remain British, but, by God, quite a lot of people like to cross the frontier having regard to the numbers and that is what part of the Lisbon Agreement is about and for that reason, of course, we have to reject the amendment to the amendment.

HON P J ISOLA:

Mr Speaker, we will not support the amendment to the amendment. The Honourable Member wants to live without the Lisbon Agreement, he says he is opposed to the Lisbon Agreement and so forth, but we are committed to it, the two political parties, certainly my Party is committed to it with certain reservations which we have made public and it is a fact of life that when he puts his motion about Spain having no jurisdiction, he was referring to the Lisbon Agreement he obviously had that in mind. Why does he not want to have it mentioned? And what he says now could really be more dangerous. The Honourable Member says "that any facilities that may be granted to Spain in any future cooperation" - that assumes that facilities will be granted, it assumes it - "must be on the same basis as it would be to any other third country". It may suit Gibraltar to give facilities to Aeroflot which we do not want to give to Iberia, for example, or somewhere else. This is a normal thing with air treaties, they are all bilateral. Britain doesn't say: "Right, I will make a bilateral air treaty with France", and follow those conditions with Germany, Russia, they are all different. It never suits a country to do a bilateral treaty on anything on the same basis with every country. That is just not a fact of life where aircraft and air communications are concerned so that is not necessarily beneficial to Gibraltar. And we have to be practical, Mr Speaker, we have to be practical in the sense that a Lisbon Agreement is going to take place and I would venture to suggest that the concern in Gibraltar now by the great number of people - the Honourable Mr Bossano only puts motions down according to himself that everybody supports - but I would venture to suggest that a lot of people want to see the situation in the frontier normalised as quickly as possible. I notice that the Honourable Member has said sotto voce "so that they can spend more money", but we were alarmed when the frontier was opened, we made statements here but I notice that his party that was opposed to any sort of opening, that wanted Gibraltar to be left in peace here and that's it, and I have certain sympathy for that argument, said very little when the public started swarming over the frontier. He said very little, Mr Speaker, and it is a fact of life that the partial opening of the frontier damaging as it has been and

dangerous as it is, has been as far as the people of Gibraltar are concerned, has been reasonably popular. That does not mean that I agree with it, I certainly do not agree with it, Mr Speaker, and I would support any measures that puts the situation right but that is a fact and therefore I would venture to suggest that since this motion can only be taken in the context of the Lisbon Agreement, let us not be afraid of mentioning it. I reject that amendment, Mr Speaker, which has been conceived in the imagination of the Honourable Member in his obsessive obstruction of Lisbon. The thought that a motion that he produces should mention Lisbon I know is anathema to his way of thinking but unfortunately I think if Lisbon hadn't been there he probably wouldn't have moved the motion so why not have it in. Mr Speaker, this amendment really doesn't meet the requirements of the realities of the situation, doesn't meet the requirements of Gibraltar and doesn't meet the requirements of this side of the House, so we reject it.

MR SPEAKER:

Does the Mover of the amendment to the amendment wish to reply?

HON J BOSSANO:

I do not think I am going to be successful in convincing the Honourable Members, Mr Speaker.

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

The Hon J Bossano

The following Hon Members voted against:

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddó
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit

The following Hon Member abstained:

The Hon R J Wallace

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon D Hull
The Hon J B Perez

The amendment to the amendment was accordingly defeated.

MR SPEAKER:

We are now still with the amendment to the original question and any Hon Member who wishes to speak on the amendment is free to do so. I will then call on the Honourable and Learned the Chief Minister to reply to the amendment if he so wishes.

HON CHIEF MINISTER:

The ambit of the problem has been widely discussed and there is nothing I can add.

MR SPEAKER:

Then I will put the question.

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

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddó
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit

The following Hon Member voted against:

The Hon J Bossano

The following Hon Members abstained:

The Hon D Hull
The Hon R J Wallace

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon J B Perez

The amendment was accordingly passed.

MR SPEAKER:

We now have the Hon Mr Bossano's motion, as amended, and any Hon Member who wishes to speak on the original motion as it stands now and who has not spoken to the question before, is free to do so. As there are no contributors I will ask the Hon Mr Bossano if he wishes to reply to the original motion.

HON J BOSSANO:

Mr Speaker, I won't say a great deal and I will not try to abuse the fact that I now have the right of reply to introduce anything new. I will say, however, that having brought the motion to the House I think that the motion as amended to some extent appears to be saying one thing in the first part, the part that I brought certainly the spirit in which it is put, the acceptance of the possibility and I have no doubt in my mind that if in fact the Lisbon Agreement is implemented, which is still not certain, this will be a matter high in the agenda, just like the Spanish claim to sovereignty will no doubt be high in the Agenda even if the Spaniards appear to be prepared to put it on ice, and I think the inability of the other members to accept the motion as it stands is precisely because they are committed to the Lisbon Agreement in spite of the fact that their original reaction to it was anything but welcomed when it was first announced. I think that this question of reasonableness which permeates attitudes is extremely dangerous, I think it appears in the context of the Dockyard, whether we are being reasonable or not being reasonable, in answer to a question that I put in the last House of Assembly, and I am absolutely sure in my own mind that the whole conditioning, the cajoling of Gibraltar into a particular stand, is going to be by successive appeals to our reasonableness and I don't think I am being unreasonable I think I am being totally determined to stick by the word and the letter and the spirit of everything I have said in the past and I will continue to do so in the future. I shall be abstaining on the amended motion and I am glad that at least the original motion has not been entirely castrated, it has just had something added to it.

MR SPEAKER:

I will then put the question which is that: "This House considers that Spain has no jurisdiction over the Gibraltar airfield, should therefore have no say over its present or future use and any proposals for practical cooperation in relation to the use of the airfield will fall to be considered under the terms of the Lisbon Agreement and must accordingly be of a mutually beneficial nature".

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

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes

The Hon P J Isola
The Hon A T Loddio
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit

The following Hon Members abstained:

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

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The motion was accordingly passed.

MR SPEAKER:

I understand that the Hon Dr Valarino has something to say.

HON DR R G VALARINO:

Yes, Mr Speaker, Sir. In order to put the matter right in reply to the letter that I wrote to the Honourable Mr Gerald Restano, let me explain that the reduction as in paragraph 2 of my letter is due to the fact that after 18 months and as in the original offer, a marginal reduction in the cost of hire would have taken place. However a large reduction (see paragraph 3 of the circulated letter) which had never been previously agreed to, was given on the Henschel set and negotiated in preference. At present the Department is being charged at the original rates for the skids and the necessary reduction will be calculated and offset on the final payments for the skids.

HON G T RESTANO:

I would like to ask, when the sets were hired they were hired for a period of 12 months or 18 months at a certain rate and the rate thereafter would be reduced. Was the drop, in fact, never negotiated?

HON DR R G VALARINO:

Mr Speaker, Sir, they were hired for 18 months, the drop in fact was discussed and never negotiated because the Henschel set took preference and it was decided to accept a large decrease in the price of the Henschel set and this was negotiated in preference to the marginal reduction in the cost of the hire of the skids. The amount which we are paying extra for the skids at the present time will be calculated in the final analysis and this will be offset in the final payments of the skids.

ADJOURNMENT

The Hon the Chief Minister moved the adjournment of the House sine die.

Mr Speaker put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 4.30 p.m. on Thursday the 24th February, 1983.