

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

23 March 1983

Vol. II Budget

MONDAY THE 18TH APRIL, 1983

The House resumed at 10.45 am.

PRESENT:

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

GOVERNMENT:

The Hon Sir Joshua Hassan CBE, MVO, QC, JP - Chief Minister  
The Hon A J Canepa - Minister for Economic Development and  
Trade  
The Hon M K Featherstone - Minister for Public Works  
The Hon 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 Abetasis

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.

DOCUMENTS LAID

The Hon the Minister for Tourism and Sport moved under Standing  
Order 7(3) to enable him to lay on the table the following  
document:

The 1982 Hotel Occupancy and Air Traffic Surveys  
Report.

Ordered to lie.

The Hon the Minister for Education and Labour and Social  
Security moved under Standing Order 7(3) to enable him to lay  
on the table the following document:

The October 1982 Employment Survey Report.

Ordered to lie.

The Hon the Financial and Development Secretary moved under -  
Standing Order 7(3) to enable him to lay on the table the  
following documents:

- (1) The Accounts of the Government of Gibraltar for the year  
ended 31st March, 1982, together with the Report of the  
Principal Auditor thereon.
- (2) The Draft Estimates of Revenue and Expenditure for  
1983/84.

Ordered to lie.

BILLS

FIRST AND SECOND READINGS

SUSPENSION OF STANDING ORDERS

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move the suspension of Standing  
Orders Nos. 29 and 30 in respect of the 1983/84 Appropriation  
Ordinance, 1983.

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

THE APPROPRIATION (1983/84) ORDINANCE, 1983

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to  
appropriate an amount not exceeding £51,090,575 to the service  
of the year ending with the 31st day of March, 1984, 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.

SUSPENSION OF STANDING ORDERS

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move the suspension of Standing  
Orders Nos. 29 and 32B(3) in respect of the Finance Ordinance,  
1983. Sir, Standing Order 29 is of course the Order which

provides that no Bill should be read a first time until it has been published in the Gazette. Standing Order 32B(3) provides that the Assembly shall not proceed on the Finance Bill before the Appropriation Bill has been read for a third time. For some time now I have felt that the fact that we debate the Appropriation Bill in advance of the Finance Bill and knowing what the Government's fiscal proposals are for the coming financial year means that the House is debating under a great disability and I think to be able to present the Budget and debate it as a whole would enable the House to consider it and the Government's economic measures in very much better terms and would lead to a very much better general debate and informed debate and it is for that reason, Sir, that I am moving the suspension of Standing Order 32B(3) for the purposes of this meeting. If this measure proves to be successful then the House may wish to consider whether Standing Orders should in due course be amended. I beg to move.

Mr Speaker then put the question which was resolved in the affirmative and Standing Orders Nos. 29 and 32B(3) were accordingly suspended.

#### THE FINANCE ORDINANCE, 1983

##### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Imports and Exports Ordinance (Chapter 75); the Income Tax Ordinance (Chapter 76); the Public Health Ordinance (Chapter 131) and the Development Aid Ordinance, 1981, and generally for the purposes of the financial policies of the Government, be read a first time.

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

#### SECOND READING

##### HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

As in previous years, I would like to start by tracing some of the dominant features of the international and UK economies which have a bearing on the course and performance of Gibraltar's economy.

Contrary to cautious expectations, the total output of the OECD countries fell in 1982. Investment remained seriously depressed largely because of persistent high real interest rates. The level of demand was low, resulting in an actual fall in the volume of world trade. The developing countries, faced with mounting short-term debt servicing problems and falling export demand for their products, were particularly hard hit.

Many economic commentators however expressed optimism that the world's recessionary problems were beginning to abate. This is largely a response to the marked reduction throughout last year in the rates of inflation in the OECD countries and the expectation of a continuing downward trend into 1983 and 1984. It is a view which is perhaps obsessively short-sighted. Falling inflation has been more of a reflection of the underlying depth of the world economic recession rather than the deliberate or direct effectiveness of policy initiatives. The scars of the recession remain. Unemployment in the major industrialised countries rose to thirty million or some 10% of the total labour force, with little or no prospect of an early reversal. The sharp fall in interest rates has been nominal - in real terms they are still high. The prospects for export-led growth are slim. Persisting problems over finance imply that effective demand for OECD exports will remain low. World trade may grow marginally, but most of the major industrial economies are likely to continue facing deficits on their current account balance, with the exception of the United States, Japan and West Germany. Exchange rate movements could therefore quickly revive inflationary pressures.

The only real comforting development has been the continued weakening in oil prices. This offers real prospects for a consolidated recovery and more confident expectations of lower inflation worldwide. This could lead to renewed buoyancy in world trade on which Britain's own hopes for recovery are pinned.

In the United Kingdom, lower inflation at home and abroad is encouragingly heralded as the springboard towards economic revival. Some modest improvement in output and real demand in 1983 seems assured. This should however be examined in perspective. Economic performance in 1982 presented a depressing background. Output was stagnant, with GDP some 5% below the 1979 pre-recession peak. Unemployment rose throughout the year, irregularly, but at a generally increasing rate. The total of unemployed persons peaked at over 3.1 million, a rate of 14.5%. In 1982 unemployment rates for individual industries have with the exception of mining and utilities, more than doubled those of 1979. Construction and metal manufacturing, for example, experienced unemployment rates in 1982 of 27% and 20% respectively, indicating the severity of the recession.

The decline in interest rates paralleled the fall in inflation. Real rates therefore remained high and monetary conditions uncomfortably contractionary. Although personal real incomes fell, consumers' expenditure rose. The latter was mainly accounted for by lower savings and rising credit. Total fixed investment increased by some 3%, reversing the trend in 1981 and 1982. These figures mask wide divergencies among sectors. Most important was the continued decline in manufacturing investment, a drop of around 10%, representing the lowest level for nearly twenty years. Some recovery was evident in private housing. Of particular interest was the fall in the volume of public investment which at 5% of GDP now accounts for almost half its share in 1974.

The unexpectedly sharp fall in inflation has perhaps been the only creditable trend. Inflation fell from 12% at the beginning of the year to 5½% by the end. Indeed, UK inflation fell faster than in most other industrialised economies during 1982. The fall in oil prices can only reinforce this trend. However, the lower exchange rate, particularly against major currencies and notably the US dollar, is bound to check any further significant progress on the inflation front.

For 1983, the consensus of forecasts point to a gradual improvement in the UK's economic performance. Lower costs and prices, pay moderation, lower interest rates and reviving business confidence are the current signs of optimism. These have been modestly uplifted by the mild reflationary boost given in last month's budget.

There are obviously certain aspects, directly or indirectly concerned with all these developments, both internationally and in the UK, which will eventually have some bearing on the course of the Gibraltar economy. The degree of their effect may appear limited and remote to some, Mr Speaker. Sooner or later, the impact can be very significant as we have seen from the effects of sharp increases in oil prices and hence our electricity costs, or of interest rates on our debt-servicing charges, or the generality of the United Kingdom recession and its damaging consequences on our tourist industry. More significantly we see as a result of the United Kingdom Government's public expenditure cuts the threat posed to our whole economy by Dockyard closure.

Before I move into the key economic issues for Gibraltar which clearly rest on the question of the Dockyard, the partial opening of the frontier and economic development generally, I propose as usual to comment on the performance of the economy in 1982.

By the end of last year, price inflation in Gibraltar fell to an annual rate of 5.5%, the lowest level since July, 1969. This was largely due to the continued slow-down in food prices; the food index rose by 3% over the year, representing a record low since 1970.

Despite the fall in inflation, it is estimated that the level of real disposable incomes for an average Gibraltarian family fell in 1982 by around 3%. This reflected mainly the neutral stance on personal taxation at last year's budget and relatively lower pay settlements in the private sector. Overall average weekly earnings for men rose by just over 5%, from £110 in October 1981 to £116 in October 1982, reflecting the 7% July Pay Award. In the official sector, earnings stood at £123 weekly. Basic wages rose in line with parity but overtime earnings fluctuated during the year, rising to an abnormal peak of some £37 a week in April, 1982. This was mainly related to substantial overtime working on RFA refits in the Dockyard and works in preparation for the second abortive frontier opening. By October, 1982, overtime earnings fell but still remained high at around £25 weekly. In the private

sector, earnings rose by some 3% overall to an average level of £101 weekly. Average weekly earnings in the official sector continued to be higher than those in the private sector, with the differential established since parity in 1978 widening slightly to some 20%.

Among monthly-paid male employees, average earnings rose to £746 in the official sector and to £575 in the private sector. The increase in earnings in both sectors averaged at around 10%, thus preserving the 30% differential of previous years. As I explained last year, Mr Speaker, this disturbing disparity largely reflects the disproportionate distribution between the two sectors of professional and technical employees.

The October 1982 Employment Survey reveals no significant change in the overall level of employment. Survey response produces certain fluctuations in the individual industry figures and hence tends to disguise the true picture. Unfortunately, for example, there has been a clear predictable 22% fall in the private sector construction industry; from over 614 in 1981 to 476 in October, 1982. Some minor, but nonetheless disturbing, drops can be gauged in other industries. In the private sector the position is indeed particularly fluid and the threat of further redundancies in those sectors easily shaken by the weakening course of the economy persists. Under any circumstances, unemployment must be viewed seriously; the moreso in a small economy or society. It is of even greater concern in the wider context of the likely effects of any redundancies which might arise on the closure of the Naval Dockyard. Furthermore, the effects of the discriminatory frontier opening cannot be discarded.

The progressive rise in the number unemployed continued; the figures have more than trebled since 1979. In December last year there were a total of 475 persons unemployed compared to 373 for the same month in 1981. The latest data for February 1983 of 444 unemployed is nearly double the 1982 figure. Some 75% of the unemployed are Gibraltarians, with juveniles accounting for about 20% of the total. This deteriorating position is largely the direct result of the absence of apprenticeships in the Dockyard, the dramatic slowdown in development activity and the generally depressed state of the private sector consequent on disappointing developments at the frontier. The renewed impetus in public capital investment will largely rest on important infrastructural projects such as new distillation plant and additional electricity plant, currently awaiting ODA approval, and to a lesser degree on limited local funding of social projects, notably housing. The impact on employment over the next two years should prove to be healthy but is unlikely to be sufficient significantly to reverse the unemployment problem in the longer term. This does not augur well for an economy facing closure of the Dockyard and the net negative impact of the partial frontier opening.

I have already pinpointed certain aspects of the private sector economy which underline the effects of recessionary pressures. These are also evident from the 1982 trade figures. Imports rose in value by some 4% to a total of £68.4 million, indicating a marginal decrease in volume terms. Non-fuel imports held their 1981 level, rising over the year in line with inflation to a total of £46.7 million. The pattern of imports revealed fairly predictable changes. Imports of building materials fell by some £1.3m or 35%. Clothing and furniture imports continued to fall, by 8% and 18% respectively. Household durable goods generally showed no significant increases. On the other hand, certain luxury goods rose substantially - perfumery (+52%), carpets (41%), jewellery (34%). After last year's drop, motor vehicle imports, including spares, once again climbed up by 11% to a figure of £3.1m. The number of private motor cars imported rose to 998 and of motor cycles to 295; the latter more than double the number imported in 1981.

Exports for 1982 stood at £23.8m compared with £25.6m in 1981. The 7% drop was largely accounted for by a £1.7m decrease in re-exports of petroleum and petroleum products. This relates mainly to the 6% fall in the number of ships calling for bunkers.

The balance on visible trade in 1982 showed a deficit of £45m, compared with £40m in 1981. It is difficult to estimate whether, in balance of payment terms, this visible trade gap was more than matched by Gibraltar's invisible earnings. In other years I have declared confidently that our invisible earnings, notably expenditure generated by defence, tourism, the port and capital aid, have left us in a modest surplus position. I do not have the precise answer for 1982, but for the first time I consider it to have been very close, either way.

1982 was once again a bad year for the tourist industry. I said last year that given the recessionary outlook for the UK economy, our main tourist market, any significant improvement in tourist prospects for 1982 necessarily hinged on the opportunities flowing from an open frontier situation. Hopes for a quick and healthy reversal of the industry's prospects with a normal open frontier were dashed on three occasions throughout the year. The Spanish restrictive frontier conditions, particularly their ban on foreign tourists, is a frustrating blow for those in the industry who have resourcefully withstood difficult market conditions since the frontier closed in 1969. The only beneficiaries have been the travel agencies who handle holiday arrangements for Gibraltar residents seeking to visit Spain.

The number of visitor arrivals fell for the third successive year to a total of £127,000; a 4% drop over 1981 and the lowest figure recorded since 1978. Air and sea arrivals fell by 3% and 4% respectively. For hotels, the indicators reveal a slight improvement over 1981 which nonetheless offers no real cause for comfort. Total hotel arrivals rose by 4%.

Tourist arrivals however fell by 6%, to the lowest level since 1972. Guest-nights sold and sleeper occupancy rates were some 10% higher over the low 1981 figures, because of an improved average length of stay.

Tourist expenditure in 1982 is estimated at £11m, the same figure as in 1981, and hence a 5% drop in real terms. Yachting traffic, one of the highest per capita earners, fortunately rose from 4281 in 1981 to 4646 in 1982 (+8.5%).

Load factors on air arrivals from UK averaged around 80%, showing once again little change compared to 1980 and 1981. Indeed, the load factors for the first four months of the year reached almost record levels, peaking at 96% during March. The corresponding figures for the last quarter were however lower than the long-term average, but remained at a high level of around 70%. Charter traffic retained a remarkable 90% load factor over the year. The number of seats offered on charter flights however fell by 13%. Fortunately, this was more than compensated for by the 22% increase in the numbers offered on scheduled services.

Tourist prospects for 1983 will remain bleak unless there is improved response from the traditional UK market or a new flow secured via the frontier. At present the signs are far from encouraging. Two of Gibraltar's main hotels are reportedly up for sale. The Air Europe bid for a licence on the London/Gibraltar route was rejected by the Civil Aviation Authority. Whatever the merits of the arguments put forward by the individual airlines concerned, it is clear that unless there is increased seat availability on the air route to Gibraltar, the hotel industry as a whole will continue to face a major constraint in a small competitive market.

For the commercial port, 1982 was the second successive year of declining shipping activity. The number of ships calling at Gibraltar totalled 2704, marginally lower than in 1981. Total tonnage entering the port fell by 2.5 million tons to 15.2 million tons (-14%). Calls by deep-sea vessels dropped 8.5% to a total of 1402. The number of containers landed rose from 3227 in 1981 to 3307 in 1982, a level which appears to be settling as the broad maximum.

Major development at the port will concentrate this year on the start of the construction of a causeway to replace the Viaduct Bridge. Apart from obvious technical and engineering considerations, progress on this project will depend on the outcome of continuing discussions with HMG on the terms of transfer of the North Mole to the Gibraltar Government. For the future, development is geared to further reclamation. This will depend on the availability of aid funds after the ODA's response to project applications submitted for our infrastructural needs. General improvements in the port area will run parallel to this outcome, as well as the priorities accorded to those development projects to be funded from limited local resources.

The Government has improved the legal and administrative frame work for the development of Gibraltar as a Finance Centre. The Banking Bill has been enacted. Administrative resources are now concentrated as a separate unit. However there is still much to be done both in terms of legislation and improved administrative procedures. Recent failures have highlighted this, particularly in the control and supervision of building societies and insurance companies. More adequate safeguards are essential to protect depositors and policy-holders. EEC Directives covering Finance Centre activities apply to Gibraltar. If we wish to preserve, improve and promote our reputation as an offshore base we must ensure that we meet the standards set by the directives. We must also ensure that bureaucratic control is kept to the minimum consonant with Community requirements and Gibraltar's administrative machinery. This could mean that we shall need to approach the Community for relaxations in certain areas of their requirements. We have been able to achieve this balance in the Banking Ordinance and I am hopeful that we can achieve the same aim in insurance.

Commercial bank activities in Gibraltar continued to grow. In 1982, deposits rose by £14m (+15%). Total loans and advances fell by around £1m (-2.5%), reversing the pattern of past years. This may have reflected growing uncertainty and depressed levels of business activity, at the tail end of a period of persistently high lending rates. Deposits held at the Post Office Savings Bank at the end of March, 1983, remained at around the £1.8m level where it has stood since 1979. Deposits with local building societies rose following the introduction at last year's budget of the £200 tax exemption limit on interest paid - the increase in deposits was however not particularly encouraging. Personal savings deposited with banks have shown a very sharp increase since the first announcement of the Dockyard closure in 1981.

Last year, Mr Speaker, I explained that Gibraltar's economy was in danger of being forced into a recessionary path, different and more serious than that mapped out by the inevitable effects of the recession abroad. I referred specifically to the impact of Dockyard closure. I expressed confidence in overcoming the difficulties. Today, I cannot hide my deep concern, on the facts available, for the economic stability of the territory as the closure of the Naval Dockyard approaches and as the broader effects of the discriminatory frontier opening effectively prevent the development of opportunities for diversification and new revenue growth.

The likely impact of Dockyard closure represents the most serious economic and social problem for everyone in Gibraltar. Her Majesty's Government has repeatedly reaffirmed its intention to close the Dockyard by the end of the year. In a purely financial and economic context, I must point to the undertaking given in the Defence White Paper issued in June 1981 to provide an alternative means for sustaining the Gibraltar economy. As the diversification study confirmed, this is a difficult undertaking, to honour in a defence-based economy, with scarce human resources and severe constraints on

land availability and use. Whatever might be thought and said in certain quarters, officials of the Gibraltar Government have devoted much time and effort to study the real alternatives for the future. This is the responsibility of Government. It is a duty to the men and women directly threatened by redundancy and an uncertain future. The subject has also rightly been the subject of searching questions and lengthy debate in this House.

The long process of study and discussions on the possibilities of Dockyard commercialisation should end next month with the completion of the project study. I am not going to pre-judge the outcome. But I am quite prepared to say at this stage that commercialisation alone will not fill the gap created in the economy by Dockyard closure. Furthermore I personally have yet to be satisfied that commercialisation will prove to be viable, and if it could be whether we have resolved how best viability can be achieved. It is not, Sir, a simple numbers game. The problems of unemployment for example, are likely to be more serious in structural terms than in size. The problem of land is not confined to the free handover of land and assets surplus to defence requirements in the Dockyard since these on their own are inadequate to close the gap which will be created in our economy. The Ministry of Defence will need to release other land and assets to give scope for diversification. The whole question has been the subject of vigorous and frank exchanges with Her Majesty's Government. From the Gibraltar Government's point of view, the Dockyard project study is proving to be an important means of testing in detail the proposals of, not merely the preferred operator, but also of the Ministry of Defence. This is the only way to arrive at a proper judgement.

The alternative to the Naval Dockyard, if closure proceeds, must offer good prospects for stable levels of income and employment; training and the development of skills, localisation of management and diversification within the economy. The alternative cannot be exclusively confined to the replacement activity in the yard itself. It extends to the development of existing and new activities through planning, enterprise and hard work. The speed with which these seemingly nebulous activities can develop, particularly in the private sector, will per force be affected by developments at the frontier.

The Government has constantly held the view that a fully open normal frontier is not necessarily the panacea for all Gibraltar's economic problems. On balance it could probably benefit the economy in the medium to longer-term, but it would require a radical readjustment in the pattern of trade and general economic activities.

Much attention has focussed on the pedestrian opening and the need to protect the economy. The first point to be grasped, Mr Speaker, is that the damage to the Gibraltar economy does not stem entirely from the leakage of Gibraltar expenditures in Spain. Part of the leakage takes the form of import substitution which benefits the economy, an obvious example is

fresh fruit and vegetables. The other more substantial leakage takes the form of recreational expenditure within Spain on a regular basis. Under normal frontier conditions on both sides it could be argued that this shift in spending would reflect a more normalised pattern of Gibraltar expenditures.

The restrictive Spanish measures prevent counter-balancing economic flows to Gibraltar. Moreover the draft Estimates of Revenue and Expenditure reflect the heavy cost of manning the land frontier some £750,000 with no clear increases in revenue.

Four months have elapsed since the opening. The total outflow is still estimated to be around 10% to 15% of consumer expenditure, or some £150,000 weekly on average. No significant falls in import duty collections have yet been observed. Total imports for January and February this year have increased by some 5% compared to the corresponding period last year but a time lag in the effects on imports is to be expected. It is still too early to measure any real trend. Developments at the frontier will continue to be closely monitored and measures, if and when necessary, implemented.

I would like to go on briefly now to another important area for the economy - the development programme. The Minister for Economic Development and Trade will be dealing with this in more detail. I would just like to inform Members that local financing will be met from the issue of tax-free debentures and commercial borrowing. The latest issue of debentures carried the added incentive of offering exemption from estate duty. To date, the first tranche of £1m has been almost fully subscribed, and a further tranche will become immediately available. Of the total £10m borrowing to be raised, nearly £6m will be taken up by cost increases on on-going projects. Just over £4m together with the £1.5m contribution from the recurrent budget will be channelled to new projects in the current programme.

I now turn to a review of the Government's finances starting with a brief comment on the out-turn for 1981/82.

When presenting the draft estimates last year, I stated that the Consolidated Fund Balance as at 31 March, 1982, was expected to be £10.65m; the actual balance on closing the accounts was £11.39m, and improvement of £0.74m. Total expenditure fell short of the revised estimate by some £0.47m and there was an improvement of £0.28m in the revenue yield.

The approved Estimates for 1982/83 envisaged a surplus for the year of £250,300; the revised estimated surplus is slightly higher at £297,800. Nevertheless, both revenue and expenditure are expected to exceed the original estimate by some £0.9m.

The increased revenue yields from Taxes on Income, Departmental Earnings and Reimbursements - the latter directly related to the increased expenditure on the Funded Services - are expected to exceed the estimate and more than offset the reduced yields of some 11% - £700,000 from import duties.

The principal increase in expenditure arises from additional budgetary contributions to the Funded Services. These are expected to total £2.3m, that is an increase of £0.6m. £0.5m of this amount will be required for the Potable Water Service Fund to meet an increase in the cost of importing water from Morocco and in repairs to the water catchments.

The projected Consolidated Fund Balance on 31 March, 1983, is £11.69m, an increase of £0.79m over the estimate in the Approved Estimates for 1982/83. Nevertheless, I must repeat what I said last year. This amount is eroded by the value of bills outstanding - estimates at £4m at 31 March, 1983, and by the £3m deficit in the Improvement and Development Fund. As indicated throughout the year the Government has met the initial outlay on locally funded capital projects by drawing on the Consolidated Fund rather than by borrowing.

The Draft 1983/84 Estimates now before the House reflect a projected deterioration in the Government's financial position during the course of the financial year. The small working surplus in the recurrent budget does not take into account a contribution of £1.5m to the Improvement and Development Fund and uncovered deficits of £2.3m in the Funded Services. The extent to which these deficits will be met by budgetary contributions or by increases in tariffs and rents will be disclosed later in this speech.

Recurrent revenue in 1983/84 is expected to yield less than in 1982/83. The main reduction is expected in income tax because of the intended Dockyard closure later this year. Although closure of the Dockyard is still being resisted by this House the Government considered it prudent to take this possibility into account in assessing the income tax yield. The figures assume that for the last quarter no activity will replace this loss. The projected loss in yield is estimated at some £350,000. Obviously the impact in a full financial year would be more than £1.4m because of the multiplier effects throughout the economy. The projected yield for direct taxation also assumes a down turn in the private sector. Allowance has been made for a pay review of 5% over nine months in the public sector only.

Philatelic sales and income from interest are expected to drop significantly; the latter as a result of the decrease in the funds available for investment.

Determined efforts have been made to control expenditure. Reductions have been made in the departmental bids for desirable but not essential expenditure.

Finally, I draw the attention of Hon Members to the fact that only token provision is made for the payment of wages at Waterport Power Station. The deliberations of the Steering Committee have not yet been completed and it is probable that supplementary funds may be required later this year when manning levels at the Undertaking have been decided.

The financial operations of the Funded Services are summarised at Appendices A, B, C and D of the Draft Estimates.

The Electricity Undertaking Fund will receive a budgetary contribution of £628,000 in 1982/83; an increase of £308,200 on the original provision. The amortised cost of the Waterport Power Station will begin to have a significant effect on the fund this year, and consequently there is a projected deficit balance on 31 March, 1984, of £559,200.

The Potable Water Service Fund will also require an increased budgetary contribution. It is estimated that the contribution will amount to £632,400 in 1982/83, compared with an estimate of £96,900 at this time last year. I have already explained the reasons for the increase in source of water from Morocco. Despite a projected reduction of about £200,000 in expenditure in 1983/84 compared with the revised estimates for 1982/83, the fund is expected to show a deficit balance of £383,200 as at 31 March, 1984.

As in previous years the Telephone Service Fund will receive no budgetary contribution in 1983/84 and the estimated deficit of £156,500 as at 31 March, 1984, will be carried forward. Notwithstanding a reduction in some rental charges earlier this year, the sale of the obsolete Strowger equipment together with an increase in receipts from the trunk call service has resulted in a reduction of some £60,000 in the estimated deficit for 1982/83 compared with the original projection.

The Housing Fund will require a lower budgetary contribution in 1982/83 than was originally envisaged. An increase in expenditure in 1983/84 will however result in a deficit of £1,383,100 as at 31 March, 1984.

The Improvement and Development Fund is expected to carry a deficit balance of £3m as at 31 March, 1983. The Government has met the initial outlay of locally funded development projects from its own resources rather than external borrowing.

The Government shortly expects a decision from the Overseas Development Administration on the funding of the desalination plant to be built at Waterport. If the project is approved in its entirety it will be possible to exercise the option to purchase a second distiller at a total contract price of £6.6m. The Government would then be able to channel such funds obtained through borrowing into housing, education and other miscellaneous projects.

Mr Speaker, having set the scene for the Gibraltar economy and for the Government's financial position I move on to the Bill now before the House which sets out the legislative proposals for fiscal and allied changes for this financial year, including proposals for increases in the Public Utility Undertaking Charges for potable water.

With the permission of the House, Mr Speaker, I will deal first with direct taxation. For the second successive year no major change in the level of personal taxation is proposed. Personal allowances were last changed in the 1981 Budget by £100 from £750 to £850. Since then the allowances have been eroded some 16% by inflation and to put them on par this year with 1981 prices would mean an increase of £136 say £150 to £1,000. Every increase of £100 in allowances reduces direct taxation collectible by about £0.5m. The cost of up-dating personal allowances in real terms would therefore be some £0.75m. The Government does not consider that such an increase in allowances can be justified when:-

- (i) Funds are urgently required to carry out Housing Development projects some of which will have to be funded by a transfer between the Consolidated and the Improvement and Development Funds;
- (ii) The Government is being forced to put at risk indirect tax revenues which at present offer no scope for significant revenue gains to offset a reduction in direct taxation;
- (iii) There is likelihood of growing unemployment and this will automatically erode the yield from direct taxation.

With inflation, this means an increase in taxation in real terms. Fortunately, the rate of inflation has fallen to some 5% over the last twelve months and no dramatic upturn is expected during 1983. Moreover, as I have made clear in reply to a question earlier in this meeting, the disparity between direct income tax levels in Gibraltar and the United Kingdom has widened following this year's United Kingdom budget. This disparity is however reversed in terms of indirect taxation.

The Government has accepted a suggestion that moneys covenanted to charitable and religious institutions should be deemed to be the income of the charity and exempt from income tax. This would mean that the charity concerned would be given the tax relief not the donor. The use of such covenants will be restricted to charities approved by the Governor-in-Council and subject to a maximum amount allowable per taxpayer of £500 per annum for a minimum period of three years.

Two administrative concessions are now to be covered by legislation. Paragraph 16(2) of the Income Tax Ordinance is to be amended to enable the Commissioner of Income Tax to set off tax, known to have been deducted and not paid over by a company which has gone into liquidation, where the amount has subsequently been written off by the Financial and Development Secretary. This procedure clearly could be open to abuse and the Financial and Development Secretary of the day will clearly need to be fully satisfied that the amount owed cannot be recovered before writing it off.



The second administrative concession is that non-residents have not been deemed liable to tax on income arising outside Gibraltar, even if it is remitted to Gibraltar, provided it is held in a trust. In effect the new provision will ensure that the income of a non-resident beneficiary of a trust will not become liable to tax by reason only of residence in Gibraltar of the trustee or trustees having the direction, control or management of the assets owned by the trust.

The Government also proposes to introduce probably at the next meeting of this House separate taxation measures under the Income Tax Ordinance for companies owned by non-residents, which meet certain qualifications, thereby being termed as "qualifying companies". Full details will of course be provided when the Bill in question is before the House but a brief outline at this stage would help. Basically only companies whose trade or business is such that all receipts and income arise in the ordinary course outside Gibraltar or from dealings with tax exempt companies or other qualifying companies will be involved. On the grant of a certificate issued to such companies - for which it is proposed to charge an annual fee of £250 and the payment of a deposit of £1,000 - this would be on account of any future tax liability - company profits would be liable to tax at one of two rates, depending on whether or not profits are remitted to or received in Gibraltar:-

- (a) in the case of a company receiving taxable income in Gibraltar, 27p in the £;
- (b) in other cases, ie when profits are not remitted to or received in Gibraltar, 2p in the £.

In addition tax would be deducted at the rate of 2p in the £ from dividends, interest, directors fees etc payable by such companies to non-residents. The fee for the issue of the certificate would not be refundable and any outstanding tax would be deducted from the deposit before it is refunded when the company ceases to be a qualifying company. The economic benefits from the scheme are unquantifiable but it is thus hoped to enhance Gibraltar's attraction as an offshore centre to large overseas companies with consequential benefits to the economy and of course to revenue collection.

On indirect taxation no change in specific duties is proposed. It is still too early fully to establish the trend emerging following the recent reduction in duty on cigarettes. Figures of the sales of cigarettes for the last quarter have only just been received and all of them have not been received yet and are still being processed.

However it is intended to reduce ad valorem duties on small inexpensive items so making them more attractive to tourists. For most of these items the basic rate of duty will be changed from 15% to 12%. The duty on perfumery (now 25%) and jewellery (now 21%) will also be reduced to 12%. This will also have the

advantage of administering a more rationalised tariff structure. In an effort to stimulate bunkering it is proposed to halve the fuel oil export tax from 54p to 27p per metric ton.

The total loss of revenue in a full year assuming no increase in turnover will be some £209,000.

To encourage local manufacture and assembly of metal or wooden doors and windows and their frames a duty of 12% is being imposed on made-up items. This will be kept under review to ensure that the price of such locally manufactured products becomes competitive.

The import duty on petrol is to be increased from 6.6p to 8p per litre. This will raise some £80,000 in a full year provided there is no further fall in consumption in what is essentially a price inelastic commodity. There will be no change in the duty on diesel oil.

The drawback Regulations will be amended to reduce net import duties which are above 2% to that figure: but for watches the reduction will be to 1%. This change takes account of increases in freight charges by air on small items such as are sold from the Government cubicles. The change should stimulate this trade.

The Government proposes to increase motor vehicle licences for private motor cars and motor cycles. These fees were last increased in the 1981 Budget. The increase at that time was of the order of 40% in licence fees.

The increases are:-

<u>Motor cycles</u>	£	
Present fee	9	14
Proposed fee	12	25

The House will wish to note that the licence for large motor cycles weighing more than 200 lbs ie the one which was previously at £14 and which has gone up to £25, is increased by some 78% to £25 a year.

<u>Private cars</u>	£					
Present fee	27	32	35	39	42	49
Proposed fee	35	41	45	50	54	63

The above increases for cars represent some 28% and in total the increases would provide additional revenue of some £90,000 in a year.

Regulations covering the issue of TV licences are to be amended to provide that dealers obtain a TV licence on selling the set to a resident; and that revenue officers should be formally empowered to enter premises to ascertain and ensure that the householder has a licence for any TV set. Such powers will only be used when a householder who is known to have had a set and failed to renew the licence also fails to respond to correspondence reminding him that renewal is overdue. It is not intended at this stage to increase TV licence fees. To do so would penalise those who renew their licences annually.

At present only bona fide visitors are permitted to register vehicles with GG plates. It has been represented that additionally the concession should be available not only to residents, including servicemen, who are severing their links with Gibraltar but also to non-residents without the need to come to Gibraltar personally to collect the car. The Government considers that there is merit in this proposal and has agreed that:-

The GG concession should continue to apply to all motor vehicles and not be restricted to new vehicles; however vehicles first registered with G plates will not be eligible for this concession;

both the purchaser and the vehicle must remain outside Gibraltar for at least 12 consecutive months after taking delivery; the Collector of Revenue would be authorised to permit the temporary re-importation at his discretion eg for servicing by the authorised car dealer;

the purchaser need not take delivery in Gibraltar.

The Development Aid Ordinance makes inadequate provision for substantial relief to new industries, particularly where these do not necessarily involve the construction of major buildings or other fixed assets but require significant imports of expensive capital equipment, for example, computers for a computer bureau. Having regard to the need for economic diversification provision is made by amendment to the Development Aid Ordinance to permit relief on the payment of import duty for projects approved as new industries where a Development Aid Licence has been issued under the Ordinance.

I turn now, Mr Speaker, to the Funded Services. The Government is once again faced with substantial deficits totalling £2.3m on the funded services. It is therefore proposed to continue reducing subsidies as in previous years.

The projected deficit on the Housing Fund is some £1.4m; this is 56% of the projected rent roll. Rents will be increased in July by an average of around 15%/20% yielding about \$250,000/\$300,000 pa, that is £225,000 for 1983/84. The increase will be based on a re-assessment of rateable values and will therefore vary from estate to estate. Rates increases will be subject to a moratorium.

On electricity the projected deficit is \$559,200 or some 13% of bills issued. A number of factors are likely to affect the size of this deficit during the course of the year. The first is the cost of running the new Waterport Power Station and the second, movements in the price of oil and the strength of the pound sterling against the US dollar. A third factor that must be taken into account is the response by CDA to our project application for a third generating set. If the latter is funded on grant terms, this will materially affect the size of the Fund's deficit.

During the project study of the commercial Dockyard proposals Cooper Lybrands have been undertaking a study of electricity charges at both the Ministry of Defence and Gibraltar Power Stations. As an extension to this they have been invited to make a comprehensive study of the effects of the construction of a new Generating Station, of using waste heat for the distillation plant on the Electricity Undertaking Fund over a number of years and to put forward proposals for tariffs more consonant with developing Gibraltar's industrial and commercial potential. This should be ready by mid 1983. The Government proposes therefore to meet the electricity deficit by budgetary contribution. Hotels will continue to receive a discount on bills paid within 30 days of issue; the subsidy on current consumption would be £35,000.

The projected deficit on the Potable Water Fund is £383,200 or some 20% of bills issued. The following increases are proposed in water tariffs with effect from the accounting period including 1st May, 1983:-

- (a) Domestic consumers -
  - Primary rate - from 17p to 19p per unit
  - Secondary rate - from 38p to 40p per unit
- (b) Hotels - from 50p to 55p per unit
- (c) Hospitals, schools, Government Departments and Ministry of Defence - from 50p to 58p per unit
- (d) Swimming pools - from 75p to 90p per unit

No changes are proposed for shipping, fountains, deliveries by lorries, temporary piped supply nor the meter rental. Hotels will continue to be charged at 40p per unit; a subsidy of 15p per unit subject to payment of bills within 30 days of issue - this subsidy would operate as at present, as a rebate on payments by the due date. The subsidy to shipping will also continue. The cost to the Consolidated Fund of these subsidies is estimated at £76,000 ie hotels £66,000 and shipping £10,000. To the domestic consumer, the projected increases will result in an increase of just over 10% or 72p per month in the water bill of an average family of four persons.

The effects of the proposals I have just outlined on the projected financial position would be to convert the estimated Consolidated Fund Balance of £7.989m at 31st March, 1984, to £8.484m. As soon as the Chief Minister has spoken a revised financial statement showing the effects of the detailed changes will be circulated to Hon Members.

Mr Speaker, I give notice that during the Committee Stage of the Appropriation Bill, the Government will seek to make additional provision for the budgetary contributions to the Funded Services and the projected subsidies to hotels and shipping.

Finally, Mr Speaker, in this my last Budget speech I wish to thank all members of my staff, Ministers and Heads of Department, who over the past four years have been involved in the preparation of the annual Budget, and who have given me unstintingly their time, advice and help. I would also like, Mr Speaker, to thank those in the private sector - and this is a genuine tribute - who from the beginning of each new year have come forward with positive ideas for the benefit of the economy. I have not always accepted their proposals but at least they have been considered. It would be invidious to select for special mention any particular group.

Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

I will then now call on the Hon and Learned Chief Minister to make his speech on the Finance Bill.

HON CHIEF MINISTER:

Mr Speaker, the House will wish to join me in thanking the Hon the Financial and Development Secretary for his exposition of the financial and economic situation of Gibraltar and of the internal and external factors which have a direct or indirect bearing on it. We are grateful for his painstaking and devoted commitment to Gibraltar's interests and to his un-failing efforts and untiring work to further those interests. I am particularly appreciative of the frank and sincere manner in which he has spoken and though we may have an opportunity at a later stage to say a real farewell I think I reflect the feelings of all Members of the House in saying that it is indeed sad that this is his last Budget speech. I want also to endorse the remarks he has made about those who have helped him in the difficult task of preparing this Budget.

Sir, this time last year, I said that the theme of the budget for that year had to be caution, prudence and consolidation in the face of the many uncertainties facing Gibraltar, the two major ones being the future of the Dockyard and the re-opening of the frontier. Events since then have more than justified that decision and that approach and the situation is different today only in the sense that we are that much closer to the crunch on the Dockyard and that the partial re-opening of the

frontier, apart from its political implications and discriminatory nature, has had some adverse effects on the economy. Before I go on to deal with the main points of the budget in some detail, I should like to comment on these two issues which are of such fundamental relevance.

I should first report formally to the House on the response which I have received from London following the adoption by the House, on 22 February, 1983, of a motion which stated, among other things, that the House appealed to Her Majesty's Government to reconsider its decision to close the Naval Dockyard. In that response, copies of which were sent to the Hon and Learned Leader of the Opposition and to the Hon Mr Bossano on 11 April, I am assured that there is no question of any weakening of Britain's longstanding commitments towards Gibraltar. 'Nevertheless', the letter continues, 'the reasons for closing the Naval Dockyard remain as valid today as when the decision was first taken, on the basis of a review of future requirements in Dockyard support services, in 1981, consequently Ministers do not propose to alter their decision to close the Royal Dockyard in 1983'.

I would remind the House that the last paragraph of the motion of 22 February stated that the House considered that full consultation should take place between all political parties represented in the House of Assembly before a final decision was made by the Gibraltar Government on the commercialisation of the Dockyard. That commitment will of course be fully complied with.

The Report on the question of the viability or otherwise of a commercially operated yard will be received next month. Our policy on this matter continues to be one of opposition to the closure of the Naval Dockyard but, as I have said so often, it is the Government's responsibility to consider carefully and dispassionately whether the commercial option is one which would produce a satisfactory, lasting and secure alternative.

If, after considering the Report, the Government were to be fully satisfied about this, it will support commercialisation and would hope that all concerned would approach the change-over with enthusiasm and with the will to make it work in the interests of those directly affected and of Gibraltar as a whole.

If the Government were not to be satisfied with the Report, it will make it clear to the British Government that it cannot support it and that the whole situation must be looked at afresh, in close consultation between the two Governments, as a matter of urgency and in the light of the British Government's responsibility for and commitment to Gibraltar. In such a situation, the Gibraltar Government will take the matter, with the utmost determination, to whatever level of the British Government might be necessary. We would also, throughout this vital period, keep in close touch with our many friends in the British/Gibraltar Group in Parliament.

There are compelling reasons for the Government's approach to this matter. If the Government had refused to cooperate in the investigation into the viability of a commercially operated yard it would have been seen, both by the British Government and by Parliament as a whole, to be acting irresponsibly and unreasonably. This investigation had to be carried out in order to establish the matter, one way or the other, beyond reasonable doubt. No one, including the British Government, can make a judgement on the question of commercialisation until the Report is available. When it does, we will, as I have said, and as we are bound to do by resolution of this House, consult fully with the two other political parties represented here before a final decision is made.

This brings me to the question of the decision of the Gibraltar Trades Council to take industrial action in pursuance of its opposition to the Dockyard closure. I must make it clear that I understand perfectly the feelings of the Trade Union Movement as a whole on this matter. Indeed, I can say that I share those feelings. This matter is vital for all of us. I also respect fully the right of the Trade Unions to take whatever action they wish - with, of course, the support and backing of their members. I and the party which I helped to found during the war introduced effective trade unionism into Gibraltar. Let there be no question of a row between the Government and the Trade Union Movement. We are all in this together and we must work together, not least at a time when we are being as hard-pressed, from different directions, as we are being now and more than ever before. But I must appeal to the Trade Unions to recognise that industrial action, at this stage at least, can not only serve no useful purpose but can be contrary to the interests of the people of Gibraltar as a whole, the great majority of whom belong to Trade Unions. As I have said, the Report on commercialisation will be available within the next month. Until that Report is received, neither the British nor the Gibraltar Government will be able to make up its mind. It must be clear to all concerned that industrial action at this stage is not going to achieve anything except to put at risk the continuing provision of further naval work and the strong and massive support which Gibraltar today enjoys in Parliament and in Britain as a whole. I can assure the House that Mr McQuarrie's reaction to the blacking of the fleet was not an isolated one and, whatever, may be felt about the way in which it was expressed, I can tell the House that it became clear from telephone conversations with two of Gibraltar's staunchest friends in London on the day the blacking commenced that they were horrified at the implications and that, while they continued to be as ready as ever to fight for Gibraltar's interests, their ability to do so could well be hampered and undermined by further industrial action.

If the Report on viability of commercialisation is unsatisfactory, that will be the time for us, for all of us, to fight together, as we have done so many times before, to defend and protect this community.

I repeat that I fully understand and respect the feelings of Gibraltar's Trade Union leaders. I am simply saying that I believe a strategy of industrial action at this stage is unwise, the Hon Mr Bossano has two capacities. He is the leader of a political party represented in this House and a notable and influential personality in the Trade Union world. I am sure that he makes a clear distinction between these two categories and that he does not allow his political aspirations to influence his role as a trade unionist although it is perfectly alright, as far as we are concerned, for his Trade Union role to influence his politics.

One final point I would wish to make on this matter is to note that the Partido Socialista de Gibraltar fully supports the strategy of industrial action. I would have thought that that, by itself, would be the most compelling argument for no one else to have anything to do with it. I certainly would not wish to be associated in any way with that organisation and if it were one day to say that it agreed with me on any matter of policy, I would feel it wise to change my policy at once.

There is not much that I need to say on the question of the partial re-opening of the frontier. Consultations on possible protective measures are continuing and decisions will be taken in the near future. At the last meeting of this House I made clear my views on the Spanish Government's latest failure to implement the Lisbon Agreement and on the attitude which I believed Gibraltarians should adopt in response to that failure. My views have been reinforced by the extraordinary Spanish reaction to the routine visit of the British fleet in the last few days.

Developments at the frontier have given rise to demands for additional expenditure. The general economic outlook is gloomy, severely compounding the recessionary pressures which afflict the economy. Our reserves are projected to fall from £11.7m at the beginning of the financial year to just under £8m by the end. Although this reflects stagnant revenues and large deficits on the Funded Services, it also takes account of a contribution to development from the recurrent budget.

The budget strategy for this year cannot discount the nature of the economic problems which will beset Gibraltar. The forecasts point to rising unemployment, no real scope for revenue growth and belated development momentum. The stability of the Government finances and of the economy as a whole has to be safeguarded come what may.

This year the Government has pruned departmental bids of expenditure by some £3m without sacrificing the high standards of services and welfare which the community as a whole expects to receive and the Government aims to maintain. One major area which has been closely examined as in the past, but without exclusive treatment, is the level of overtime working. It must be understood that the Government's wages and salaries bill stands at £25.5m, that is 53% of total recurrent expenditure. Overtime and allowances account for £4.3m, after having

planned reductions in areas where overtime levels, for a variety of reasons, have surreptitiously moved beyond the absolutely essential. Already, as in the case of refuse collection, some steps have been taken to contain overtime but the reaction has unfortunately been adverse. Here, as in all other areas where reductions are planned, I hope it will be understood that the savings in expenditure should be considered more broadly and rationally. Whatever those affected may lose, the generality of taxpayers (including those affected) will gain. At least, the need for even higher taxation will be avoided. Other areas have been closely scrutinised. For example, bids for replacement of small plant, vehicles, and equipment, for increases in training overseas and for tourist advertising have been curtailed. These have not followed a pattern of presentational cuts which would in any event prove to be false economy. They have arrested a trend for improvements which would be either unnecessary or unrealistic in the context of our budgetary position and our relative size.

It is recognised that last year's neutral budget has in real terms not compensated for the modest pay increases consequent on parity and that real disposable incomes fell slightly in 1982, for the first time since the substantial gains since parity was implemented in 1978. Rather than reduce taxation and jeopardise our reserves, the Government plans to channel substantial funds into the financing of development projects, notably housing. £1.5m is earmarked for the Improvement and Development Fund and more will be transferred to that Fund if possible and necessary. We have a clear choice - either we build houses, we maintain and provide our power and water services, we improve our schools etc, and hence provide employment, or we boost personal incomes directly in order to boost consumption on luxuries which as a community we cannot really afford and can do without, particularly if that consumption were to find its way outside the Gibraltar economy.

Last year I referred to the level of arrears, then standing at £3m. This year they are up to £4m. A substantial element of this is owed by the trade. I do not underestimate the difficult times certain sectors of trade may find themselves in. But it is no use complaining about high municipal costs, about the lack of Government assistance and interest, moreso with the partial frontier opening, if the trade does not respond by a more aggressive approach to their market and a more responsible attitude to commitments. What I mean, and Government has evidence to this effect, is that certain traders, protected as they are, could reduce profit margins, improve competitiveness and pay their bills on time, and not expect Government to reduce duties or charges and legislate for further protective cover. A more enterprising spirit is required.

Last year I also asked people to invest in Gibraltar. The issue of the latest 10% tax-free and estate duty free debenture is, as the Financial Secretary has stated, attractive and the first £1m tranche has nearly been fully taken up. I would

like this encouraging response to continue and if possible improve. Let us put our savings into Gibraltar where they can be used for development rather than tucked away in offshore funds affording tax avoidance facilities.

At the end of the day, all these issues revolve on the will of the individual - employee or trader. The will to accept less overtime, the will to pay one's dues to the community in time, the will to charge a fair price, the will to spend and invest in Gibraltar and the will to produce a fair day's work for a fair day's wage.

Once again this year we do not intend to reduce direct taxation. As the Financial and Development Secretary has explained, because of the constraints on the economy and the budget, we prefer to channel resources to fund capital investment and not to boost personal consumption.

On direct taxation, I hope the trade will follow the lead given by Government in reducing import duties with a more competitive attitude in tourist goods. I expect to see that lead materially reflected in lower profit margins. These measures will put some £209,000 of revenue at risk. Earlier this year we reduced the duty on cigarettes putting some £350,000 of revenue at risk. On the latter, the indications are that we may recoup a fair proportion of the potential loss through increased sales. This may not be so certain in the case of those duties we have now reduced. This potential revenue loss therefore needs to be minimised, but there is a limit on what we can do without it being fiscally counter-productive or unfair on the consumer. There is one area which the Government considers can absorb some increase - motor vehicles. The average increase in the annual licence is around £10. At the same time we have nearly doubled the fee for large motor cycles. Petrol duty will go up by 1.6p a litre.

On the Funded Services, the Government does not intend to increase electricity charges for the time being. The Financial and Development Secretary has dealt with the reasons for this and I hope that the tariff review will come up with a structure which will spread the burden of electricity costs in a fair manner. It is clear, however, that this burden will continue to be high unless we see further falls in oil prices. In the case of water, the increase is very modest, 72p a month or around 10p to 15p a week for an average family of four. The increase in rents will follow a regrading of properties. The average increase is between 15% to 20% - the precise figure will not be known until the Housing Department completes the detailed assessment of all flats. For post-war flats, the rent increases will range from £1 to £4 per week. The increases for pre-war flats will vary depending on the standard of accommodation. These will range from £0.50 to £2.00 per week. These increases will take effect from July 1983. The rates increase will be deferred into 1985. The effect of these measures will be to reduce the deficits on the Funded Services from £2.33m to some £1.7m. Despite this, the water and housing funds will continue to receive budgetary contributions. Hotels and shipping will continue to receive subsidies. The effect of this year's budget measures on the index of retail prices will be around 1.2%.

I should like to finish by reiterating that we face one of the most crucial years in our history and we must realise the heavy burden of responsibility which lies on each and every one of us inside and outside this House to contribute to uphold our standards of living, our welfare and our survival as a free community with a sense of dignity, honour and pride.

MR SPEAKER:

We will now recess to give the House an opportunity to consider the statements which have been made by both the Hon and Learned the Chief Minister and the Hon the Financial Secretary and we will return at 4.30 upon which I will invite Members to speak on the general principles and merits of the Finance Bill. We will resume at 4.30 and may I warn Members that we will not be having a tea recess, so it will be from 4.30 to approximately 7 o'clock this evening.

The House recessed at 12.25 pm.

The House resumed at 4.45 pm.

MR SPEAKER:

Well, gentlemen, I will remind the House that we have now had the commendation of the Bill by the Hon the Financial and Development Secretary and the statement by the Hon and Learned Chief Minister and I will now invite, before I put the question, any Member who wishes to speak on the general principles and merits of the Bill to do so.

HON G T RESTANO:

Sir, once again it is my pleasure to rise on behalf of the Democratic Party of British Gibraltar to respond to the new procedure which we welcome of presenting the Gibraltar estimates of revenue and expenditure for the year 1983/84 together with the Government's budgetary measures. No doubt other Hon Members on this side of the House will have views to express on the estimates of revenue and expenditure as well as the budgetary measures and my Hon and Learned Leader will when winding up the debate on behalf of the Opposition clarify and reinforce the views of my Party on what can only be regarded as a crucial year in the history of Gibraltar.

The estimates of revenue and expenditure are perhaps slightly misleading to the average man in that the economic effects of the partial opening of the frontier and the effects of the possible closure of the Naval Dockyard at the end of this calendar year are not really reflected in these estimates because in the case of the partial opening of the frontier these effects will only become more evident towards the end of this financial year and of course the actual closure of the Dockyard has not taken place and consequently it is difficult to reflect this event in the estimates.

Foreign affairs and the Naval Dockyard continue to dominate the life of Gibraltar, its economy and its people. The closure of the Naval Dockyard could be only a mere eight months away. We on this side of the House hope and pray that the British Government will continue the operation of the Naval Dockyard into 1984 and beyond but it seems fairly clear that firm decisions appear to have been taken and that the Dockyard will in fact close at the end of 1983. However, we must not forget that neither the British Government nor indeed the Gibraltar Government have made any firm decisions on a viable alternative to the Naval Dockyard and we on this side of the House believe that the Dockyard should stay open until a viable alternative is found. We hope that when the project study has been completed that the Opposition is consulted by the Government before any final decision is made on commercialisation of the Dockyard.

Mr Speaker, the signs are clear that a decision has been taken that there is no continuing requirement for a Naval Dockyard in Gibraltar as indeed in other places in the United Kingdom and that this arises from the Defence White Paper and subsequent statements on defence which have reduced the requirements for Dockyard capacity. It seems clear to us that if the Naval Dockyard is to continue in operation in Gibraltar it will be entirely because the British Government and the British people recognise that to remove the base of the economy of Gibraltar which the Naval Dockyard represents will do incalculable harm to the way of living and the standard of living of our people and could not be compensated for by a commercial operation. If that is the situation then it is clear in our minds that the last resort of appeal of the people would be to the British Parliament. It is only the British Parliament that can, if it so wishes, overturn the decision of the Government. We in the Opposition believe that an attempt should be made under the aegis of the British/Gibraltar Group to do just this if this is at all possible. This will require, of course, Mr Speaker, a lot of effort on our part and should clearly be mounted on an all-party basis.

We do not believe, on this side of the House, that those efforts are likely to be encouraged or lead to success if the Gibraltar Trades Council leadership is going to behave in the manner that it did last week when it decided to black the British Fleet visiting Gibraltar as a means of advancing the objective of keeping the Naval Dockyard opened. We of the DPBG believe that the vast majority of the people of Gibraltar including the vast majority of working people in Gibraltar were appalled at the decision of the Trade Union leadership and thoroughly regretted and opposed it as being against the true interests of the people of Gibraltar. The damage, Mr Speaker, has been done and we on this side of the House hope that the British Government and British Parliamentarians will understand and realise that the views of the leadership of the Gibraltar Trades Council in deciding to take the blacking action on the British Fleet, which we all welcomed to Gibraltar, did not have any real support. We would also like at this point in time to observe that in our

view the Gibraltar Broadcasting Corporation again failed to reflect the true feeling in Gibraltar and we are astounded that following statements by the Chief Minister and by our party, GBC interviewed the Hon Mr Bossano but failed to seek interviews either with the Chief Minister or with the Leader of the Opposition.

The DPBG believes that the Gibraltar Trades Council are utterly misguided in the course that they are following in trying to keep the Naval Dockyard open by industrial action. It is impossible in our view to seek to keep an enterprise open by damaging it through industrial action. All such action can do in reality is to accelerate the process of the closure and defeat the possibility of placing an alternative in the place of the Naval Dockyard. We are fearful that if industrial action escalates that not only will the working people in the Naval Dockyard lose their jobs at the end of the year but that any possibility of obtaining alternative employment will also be obliterated. The leadership of the Gibraltar Trades Council has a very serious responsibility and the working people of Gibraltar will not thank them if they exercise that responsibility without due regard for the real interests of the workforce.

The partial opening of the frontier has created for Gibraltar a very difficult situation and will undoubtedly have serious effects on the economy if it is to continue for any appreciable amount of time. It seems that the Spanish Socialist Government is just as intent to damage and ruin the economy of Gibraltar as their conservative predecessors. The principles of comity inherent in the European Economic Community to which Spain aspires to join are just non-existent where Gibraltar is concerned. The Spanish Government has not kept its word and this must have serious repercussions for the future.

It is becoming increasingly obvious that the present Spanish Government has little intention of implementing the Lisbon Agreement and that they are clutching at any pretext (the latest case being their absurd objection to the British Fleet visiting a British Base) to avoid the implementation of the Lisbon Agreement. This must surely demonstrate beyond doubt that the Spanish Government does not consider that Agreement to be in Spanish interests surely mainly because of British recognition of the right of the Gibraltarians to self-determination declared by them in the Agreement.

There is as the situation develops a need among all parties in Gibraltar and elected leaders to take and adopt a Gibraltar view on the many problems that are facing us especially in regard to the Dockyard and the frontier. Mr Speaker, it is against this background that we must look at the revenue raising measures that have been announced by the Government. The action that is required in Gibraltar is a policy that faces up to the problems and seeks solutions.

In addressing ourselves to the budgetary measures proposed by the Government such as they are I would like at this stage to state how sorry we are on this side of the House that this will be the last budget moved by the present Financial and Development Secretary. His presentations to this House at Budget times and indeed other times have always been studied and careful and he has always displayed great courtesy to all Members of the House. We are sorry that this will be his last Budget and wish him the best for the future. Mr Speaker, it will also be the last Budget for the present Government and the budgetary measures proposed show distinct signs of this.

We get the decided impression from the speech of the Chief Minister that he is very undecided as to the measures that should be taken. Whilst we accept that the situation is a difficult one, we cannot agree that the financial picture as far as the finances of the Government are concerned, is at all alarming. The new estimated Consolidated Fund Balance as at 31st March, 1984, of £8.4m following taxation measures reflects a healthy position and we feel Government should have done more in terms of positive measures to remedy the damaging effects of the partial opening of the frontier. I know that the Chief Minister has stated that further measures will come if found necessary to do this but we regret that the general thrust of the budget measures has not gone as far as we on this side of the House have been advocating in order to make Gibraltar more competitive. In the face of a worsening economic situation it is essential that the Government give leadership and take bold measures. The cuts in import duties announced by Government although welcome and consonant with the cries from this side of the House that import duties should be dramatically reduced, do not go far enough. We welcome the cuts that have been announced such as they have been but question whether a reduction of import duties from 15% to 12% on a whole range of goods is sufficient to bring about a real cut in prices in Gibraltar. We regret that no cuts in import duties have been announced in articles that affect the cost of living index such as clothing and shoes. There is a local Gibraltar market in these items and there should be incentive created within Gibraltar for people to purchase their needs in these goods in Gibraltar and not in Spain. We accordingly think that the Government should have been bolder in their measures of cuts in import duties so as to create the proper competitive spirit in the trade in Gibraltar and encourage greater personal spending by residents of Gibraltar within Gibraltar.

We have noted the proposed cuts in the fuel oil export tax and in the drawback regulations relating to the re-export of goods from Gibraltar. We welcome any measures that are aimed at helping the Port of Gibraltar and attracting shipping as indeed of supporting the re-export industry. Later on I mention the need for Government to take other measures in the Port to encourage and attract more shipping to Gibraltar. The export industry of Gibraltar and export services are areas that should be encouraged to grow and I hope that the Government will keep a close watch of movement in competitive ports in relation to taxes such as we have.

We are sorry to see that the Government has not been able to see its way to increasing the personal allowances under the Income Tax Ordinance and that consequently Gibraltar remains one of the most highly taxed territories in Europe and that the differential between taxation on incomes in Gibraltar and those in the United Kingdom continues to grow wider. We believe that the need to tax residents of Gibraltar so highly arises from many years of mismanagement of the economy by the present Government in power and that consequently they are unable to give the relief which the overtaxed Gibraltarian deserves. The continued mismanagement in areas such as the electricity undertaking continues and in a frantic effort to save what is a deteriorating situation Government now bring in a firm of Chartered Accountants to advise further on the development of the electricity undertaking serving only to emphasise the problem that the Gibraltar community have found themselves in where electricity is concerned as a result of very poor planning and complete mismanagement.

Obviously the Government is unable to raise electricity charges because of the manner in which the electricity consumer's monies are being squandered by the Government and by management in relation to the Waterport Power Station and accordingly the Government has decided instead to increase water charges once more. No information has been given about the need for such increases and the result is that the consumer once more has to pay for the increased cost of production, for the large water losses, and for every other inefficiency of the Minister responsible for that department. It is our view that with the tourist industry as the second largest industry in Gibraltar, the water charges for hotels should not be set at higher than 40p per unit and that there should be a deduction made in respect of prompt payment of bills. If we are going to go on increasing the cost of services to the tourist industry then that industry will in the end collapse and with that collapse will come further losses in employment and in employment opportunities.

Mr Speaker, with regard to the increases in licence fees for motor cycles and private cars, we would observe that it seems odd that the increase in licence fees for private cars should be higher with the smallest car than with the largest car. We feel that the same distinction should be made to percentage increases to private car licences as with motor cycle licences. In other words, the proportion should be much higher at the bigger car levels than at the smaller car levels. As far as motor cycles are concerned we feel that a consideration should be given to charging the very small motor cycles a very minimal increase so as to encourage people to use these rather than motor cars.

We note that TV licence fees are not to be increased but we regret the move to impose on dealers the obligation of obtaining a TV licence on selling a TV set to a resident. It seems to us that this is putting an obligation on trade which should clearly be discharged by the Government, that

is the collection of licence fees. The trade already inform Government to whom they sell TV sets and we think it is not too much to ask from Government Collecting Agencies to do just that. We cannot understand the reason for this measure and we oppose it.

We welcome the proposed amendments to the Development Aid Ordinance to help manufacturing industry as well as proposals to change the Income Tax Ordinance to give certain benefits to qualifying companies. Presumably the latter measure is in relation to improving and promoting Gibraltar as a tax haven and we are sorry to see that both in the case of the Development Aid Ordinance as indeed in this case no legislative proposals are before the House.

Mr Speaker, to sum up on the revenue raising measures. We do not find them harsh but we do find that they are not bold enough and do not include sufficient incentives to raise the spirit of people and to give people the knowledge and the feeling that Government is in control of the situation and is not just drifting with events. In our election year this is bound to be a reasonably popular budget but whether it meets the real needs of the economy and its development is open to considerable doubt.

Mr Speaker, it is clear from the financial statement for 1983/84 that the revised estimated consolidated fund balance as at 31st March, 1983, does in fact present a picture reasonably healthy. The surplus the Government has had over the year has in fact been higher than that estimated despite the additional expenditure that has been incurred. The Consolidated Fund Balance as at 31st March, 1983, of £11,688,120 is almost £1m more than the amount predicted last year at this time and on the face of it the Consolidated Fund Balance shows a very healthy picture and shows that the Government at least is in a position to tackle the problems that lie ahead in economic terms.

This has not been as a result of competent management on the part of the Government but because of the draconian measures of taxation that have been carried out since the 1979/80 budget. The mismanagement of the economy continues and the Government consequently requires to continue its present system of overtaxing the population. The present example is the increase in rates amounting to nearly 20% which has occurred this year. At a time when the Government appeals for a reduction in costs and in prices it seems to consider itself to be exempt from such constraints when it comes to its own revenue raising measures. If we are to avoid a collapse of the economy there is undoubtedly a need for Government to be cost-conscious and indeed for the population to be made aware of the need for public expenditure to be kept in present circumstances to a minimum.

Our party has in the recent past warned of the danger of a two nation society brought about by the disparity of earnings between the public sector and the private sector. There is a



danger of the creation of a three nation society by virtue of disparity of earnings even within the public sector. In the Fire Services, Electricity Undertakings, Customs Services, Prison Service and Recreation and Sport Departments, average earnings are far in excess of Departments such as Audit, Income Tax, Labour and Social Security and Treasury. I am of course talking of the non-industrials in these Departments.

If one goes to the earnings of industrials, it is not so easy to see the position except when occasionally the Government comes out with a statement as a result of industrial strife as it did, for example, in the recent industrial dispute over refuse collection and refuse disposal. We just do not know what average earnings are in the various sectors of Government departments such as the Public Works Department and the Electricity Undertaking but judging from the earnings that have been announced in relation to refuse collection it is quite clear that some must be very high.

On this side of the House we do not object indeed we support high earnings but we wonder how far these earnings are entirely uncontrolled wholly productive and what effect they have on the rest of the taxpaying body when translated into electricity, water and telephone accounts, for example, or in the high cost of allegedly maintaining housing in a state of repair.

As the pressures on Government revenues rise because of the weakening economy we believe that unless there is a rise in productivity and a cost consciousness in the public sector, the inordinate costs of electricity, water and municipal services, as indeed of maintaining roads and other public services will continue to rise with no corresponding increase in the revenues, necessitating in the last resort severe cuts in public expenditure which could affect the level and efficiency of social services enjoyed by the population. Indeed the situation could develop where even the present system of index-related pensions could be at risk. In our view the efficiency of the Government machine is very much in question and steps have to be taken to streamline the services that the Government gives to society if we are to overcome the crises that undoubtedly Gibraltar is facing.

It is impossible to ask departments to become more efficient and to increase their level of efficiency when Government itself appears to do little to encourage this. The obvious example continues to be the electricity undertaking where the Government has failed the people of Gibraltar dismally with their poor record of management. Government seems to have lost complete control of this department to the extent that the contractors are still responsible for the operation of one of the new engines at a cost to the public of £16,000 a week. The lack of proper maintenance over the years and of poor industrial relations have led to phenomenal wasteful expenditure and to engines not functioning properly. Power cuts have become a part of the life of Gibraltar and despite the commissioning of new engines they continue albeit less

frequently with consequent suffering to the public. The hire of the skid-mounted and trailer-mounted generators which we advised as from the beginning should have been purchased have resulted in further heavy and wasteful expenditure with increased costs to the consumer.

During this year the Committee of Inquiry have reported on the electricity undertaking and this has revealed an alarming situation leading to panic measures and the appointment of a Steering Committee to iron out problems in management - employee relations at great expense to the public. The situation in the Generating Station continues to be a matter of public scandal and the public are having to pay no less than £18,000 a week as far as has been admitted for the privilege of industrial peace in the electricity undertaking. We do not know what other wasteful expenditure is going on in other Government departments because the Government is very secretive in questions relating to its own workforce unless there is a dispute where the public sees the results of it as it did, for example, recently in the dispute with the road sweepers.

The Government in consultation with the Unions must watch its expenditure very closely. As the economy deteriorates the disparity of earnings between the public and private sector could become quite intolerable.

Last year we urged the Government that there was a need to re-organise and restructure the Departments of Housing, Lands and Surveys and Public Works into one large Department. Only in this way we stated could all the technical skills available in these departments be streamlined into one single efficient department. It is still our belief that these departments require to be amalgamated with more than one Minister responsible for them to produce a better and more efficient service. These departments cost some \$11m a year to run or just under 25% of the total of Government expenditure and yet the streets are dirtier than ever, maintenance of Government properties is poor, the Housing Estates are in a bad condition and the situation is totally unsatisfactory. There is a need to produce better coordination and liaison within these departments in order to produce a better and more efficient service.

The number of reallocations of monies made during the year particularly in the Public Works Department shows clearly that there is no intention at all in spending the monies voted for the matters in respect of which they have been provided and it seems that provision is sought merely as a ploy for the department to have funds available for whatever other activities it wishes to engage in without having responsibility of accurate and proper budgeting. I have already mentioned the industrial dispute regarding refuse collection and the cleaning of our streets and it seems to us that as in the Generating Station the Government appears to be losing complete control of the situation and will undoubtedly end up by conceding all claims that are made on it at great public expense at a time when the public can hardly afford it. If the Government cannot efficiently run its operation in this area as indeed in other areas, then Government should consider seriously privatising some of these operations.

It seems to us that where cuts or savings occur in Government expenditure they are invariably in areas where staff and earnings are not affected. Examples of this can be found in the Department of Education where the Government continues to penalise children by not providing sufficiently on essentials such as, for example, books and equipment where Government despite inflation is providing less funds for 1983/84 than for the current year. When one considers that the Government spent in the year 1981/82 £168,755 for books and equipment it is clearly not providing sufficiently in 1983/84 by providing a mere £1,245 more for requirements. In adult and continuation classes again less is being provided than last year as indeed in the provision of financial assistance to youth and cultural activity. When we speak of being cost effective and reducing public expenditure we do not expect the Government to cut precisely in those areas where improved services should be the order of the day such as in education.

We regret, once more, that the Government continues to tax the Elderly Persons Pensions. As we stated last year it is socially unjust and morally reprehensible that persons in receipt of Government pensions under the Social Insurance legislation or under the Retirement Pensions Scheme should receive those pensions free of tax but that those persons in receipt of Elderly Persons Pension which are much lower should be obliged to pay tax on them. The Government refuses stubbornly to remedy the inequality and injustice of this situation and in this year of general election we would remind the Chief Minister how in 1980 he led persons in this category to believe that an elected Government of the GLP/AACR would put this right. Since a general election is only round the corner he could take this year's budget as an opportunity to do just this.

Whilst on the Department of Labour and Social Security, Mr Speaker, we hope to hear from the Minister what plans he has to increase employment opportunities in Gibraltar at this time. We would like to see some sort of youth opportunities programme where Government possibly makes a contribution toward wages in the case of apprentices in the private sector to encourage the employment of young people and to arrest the downward trends. The Minister for Labour who is also Minister for Education should take steps to explain the advantages of training to youngsters and to encourage them to enter trades in the private sector. The training of youth in the Government departments appears to have been cut and when considering cuts in public expenditure the Government should bear in mind the need not to make cuts in areas that can make a positive contribution to the future economy and well-being of Gibraltar.

The level of earnings in the Customs Department, the Fire Services Department, the Victoria Stadium and the Prison Service require some comment. Whilst not in any way deprecating high earnings the level achieved in these departments are such that they pose two questions, the first whether they are not inordinately high and the second whether more staff is not required. In the latter category we would

place the Prison Department where average earnings appear to be £10,625 per annum and where it might be beneficial both for the Prison Wardens themselves and for the community to have a large number of Prison Wardens rather than rely on high overtime earnings and allowances. The same remarks do not apply to the other three departments mentioned but certainly examination should be made in these other departments as to whether there cannot be a reduction in expenditure which seems to be unduly high in these Heads.

By way of contrast, Mr Speaker, we find that average earnings in the Income Tax Department amount to £6,661 per annum and having regard to the number of employees in this Department it is interesting to note that this Department raises in revenue £600,000 per employee per year. If we had this sort of productivity in other Government departments we would indeed be doing very well. We have parity of wages with the United Kingdom though we certainly do not have parity of taxation in fact we are more heavily taxed here in Gibraltar than in the United Kingdom.

In the Fire Services Department we still await the implementation of the law relating to fire extinguishers and in respect of the Victoria Stadium the introduction of charges which the Minister has repeatedly stated in this House at every budget time would be introduced. We know that fire extinguishers despite the provisions of the law will not become compulsory in the lifetime of this House because the Minister knows how inequitable it is to expect tenants in private housing or private landlords to purchase fire extinguishers whereas Government tenants in Government housing are provided with them free of charge. This was a bad law and the Minister clearly is afraid to implement it. As far as the Victoria Stadium charges are concerned the Minister continues in full retreat. One day the Government will realise how important it is that the Victoria Stadium should be run by an independent body chosen by those who participate in sport with a fixed subvention from the Government and not to run it as at present at inordinately great public expense.

We are concerned on this side of the House with regard at the present position in relation to the administration of justice. We feel that there may well be insufficient staff in the Courts and indeed a need to review the requirements of the Supreme Court and the Magistrates' Court. It seems odd that the Admiralty Marshal does not have the back-up necessary to arrest and keep vessels under arrest in Gibraltar. The costs of arrest of vessels in Gibraltar are indeed quite prohibitive and yet if this matter was carefully considered there could be economic benefit to Gibraltar from a system under which ships and yachts could be arrested effectively and economically.

More close to Members of this House is the tendency that now has almost become a practice of presenting draft Bills to the House much too late to enable them to be properly considered as we are duly bound to do. It seems to us that the Law Officers' Department requires review and its staffing

requirements should be examined. Whilst we appreciate the very great pressures under which some departments of Government work including the Law Officers' Department, we feel extra effort should be put to ensure that draft Bills are published at least two weeks before a meeting of the House so as to enable Members of the House as well as other interested parties to consider them. The tendency on the part of the Government to take all readings of a Bill at one sitting means that the general public and more importantly parties whose interests are affected are presented with a fait accompli in the great majority of instances. This is not good, Mr Speaker, for the administration of justice nor indeed for the democratic process. We recognise that on some occasions it is inevitable that Bills should be taken through all their stages but we equally state that this should be the exception rather than the rule which it has now become.

Mr Speaker, we are dismayed about the expected decrease in revenue of philatelic sales by £400,000. We have noticed that this has occurred with the appointment of the Hon Mr Zammit as Minister for the Post Office. Certainly not a very auspicious first budget for him in this post. We are also concerned that even now though there is one air service a day to England no post leaves for England on Saturdays. Considering the revenues that are received by our Post Office this in our view is not fair on the public.

Turning to the Port, this extremely important area for the economy, we question whether tonnage dues are really necessary. Should ships not be encouraged to come to Gibraltar and does not substantial revenue derive to the Government from ships entering the harbour, crews going ashore and so forth? If ships that await on the East side of the Rock could be encouraged to come into the Port this would surely increase economic activity both for the Government and within Gibraltar. The Government should seriously consider this matter.

In the Medical and Health Department the year has seen the arrival of a new Director of Medical and Health Services and we wish him every success in his department. We also hope that he will seriously pursue the worthy object of the phasing out of private consultation at the hospital. Whatever the Minister may say in this House there is no doubt that the GPMS patients become second class patients where consultations are concerned. Last year we praised the services given by the staff of the department and we have no hesitation once more this year in stating how grateful the people of Gibraltar should be for their dedication.

Mr Speaker, there has been much criticism this year about profiteering in the private sector and in particular in price controlled articles. When one considers that price control is the responsibility of the Minister for Trade and the Consumer Protection Department one has to wonder whether this department justifies its existence.

My Hon and Gallant Friend, Major Peliza, will no doubt have a lot to say with regard to the collapse of the tourist policy of the Gibraltar Government. It was interesting to hear the complete exasperation of the Managing Director of Both Worlds with the Government's lack of ability to attract tourists in Gibraltar. It is time we made the tourist product something which people enjoy and look forward to seeing and we move away from the rather jaded promotion talk of sun, sea and sunshine and move to offering tourists and promoting the real unique values comprised in the history and especially the military history of Gibraltar. It is time too that the Government were more realistic in the use of their London Office and moved away from ground floor premises in an expensive area of London when the Tourist Office could equally fulfil its functions in a cheaper and equally central area such as Victoria and away from ground floor premises. The Tourist Office is under-utilised and could be put to a much better use if properly directed and its responsibilities expanded.

We are pleased on this side of the House to see how well the International Direct Dialling System is working and that at long last Gibraltar, for so long in the back waters of telecommunications due to lack of foresight on the part of the Gibraltar Government, has finally made it in this field. If the Government had listened much earlier to our continuous calls for this service as far back as 1976, the development of Gibraltar as a Finance Centre could have been built up so much more rapidly. The Government should reconsider its imposition of local charges because the increased revenue produced by International Direct Dialling should allow for this to be done.

Mr Speaker, we cannot leave the consideration of the estimates without considering the subsidy given by the Government out of taxpayers funds to the Gibraltar Broadcasting Corporation. The Gibraltar Broadcasting Corporation will receive in 1983/84 a subsidy of no less than £535,800 from the Gibraltar Government or from public funds quite apart from all monies received from wireless licences. In a year when efforts have to be made to protect the Gibraltar economy from the partial opening of the frontier and having regard to the Chief Minister's appeal to the public to restrain themselves in their spending in Spain, it is ironic that a subsidised Corporation should advertise Spanish products on such a gigantic scale. The Gibraltar public is being urged through GBC to buy property in Spain, to buy goods and services and indeed even to use Malaga airport for their trips by advertising cheap car parking at Malaga airport. Is this the way the public interest is projected through the Gibraltar Broadcasting Corporation? The matter of advertising Spanish products over GBC is now becoming extremely serious and we on this side of the House are not prepared to vote public funds to enable the Gibraltar Broadcasting Corporation by their advertising to encourage the public of Gibraltar to spend all that they earn in Gibraltar in Spain. We will accordingly this year, unless we have assurances of a change of policy in this regard, vote against the contribution to the Gibraltar Broadcasting Corporation as a protest to this policy.

We are concerned at the position in relation to improvement and development in Gibraltar. Development has come to a halt and as a result the recession in the economy will continue. The Government is doing too little too late and we feel that the Minister for Economic Development has lacked dynamism in bringing the real problem that faces Gibraltar in this field in a personal way to United Kingdom Ministers. We are astounded that no British Minister connected with overseas development has visited Gibraltar throughout the life of this Government and we urge the Government to insist that the Minister for Overseas Development comes to Gibraltar to see at first hand the problems that his department is causing the people of Gibraltar as a result of the dragging of their feet as far as aid to Gibraltar is concerned. The situation is urgent and requires remedial measures and the Gibraltar Ministers should not hesitate to fly to London whenever necessary to urge and argue the Gibraltar point of view.

Mr Speaker, this in general terms is the attitude of our party to these year's estimates of revenue and expenditure and obviously other Members on this side of the House will enlarge considerably on the headings that I have talked about especially where I have only spoken in very general terms.

In the problems that face Gibraltar during the coming year which is also an election year, we still consider it essential and vital to maintain a real unity of approach by the elected Members of the House and indeed the whole of Gibraltar to the serious problems that face us.

HON A J CANEPA:

Mr Speaker, it is my intention now to comment on the broader issues affecting the economy of Gibraltar, the broader economic issues, since I think that that is what we are obviously mainly concerned with, I am going to be referring specifically to the Development Programme, though not in much detail, since I did in fact make a very comprehensive statement in this House, I think it was a couple of months ago. Suffice to say, at this stage though, that the Hon Mr Restano seems to have forgotten that at the end of September I visited London with the Chief Minister and I went to see the Foreign and Commonwealth Secretary himself, Mr Pym, and it was precisely about the question of the need for development aid that I addressed myself to him in that meeting, pointing out the serious effects that the delays were having on the economy. And Lord Belstead, who though not the Minister responsible for the Overseas Development, is nevertheless very much on the fringe of such matters, particularly as he represents the Government in the House of Lords, was also left in no doubt both by the Chief Minister and by my Colleague, the Minister for Public Works, when he visited Gibraltar last July, about the importance that we attach to the matter. I am happy to say that I think that our meeting with Mr Pym did have some effect because about three months

later came the announcement of the £13m aid for Gibraltar. As far as the then Minister for Overseas Development is concerned, the good friend of the Hon Mr Restano, Mr Neil Marten, whom he met in Fiji, I do not think that the visit from him would have been very productive as I understand that he was never very favourably disposed towards Gibraltar. But turning, Mr Speaker, to the broader economic issues affecting Gibraltar, as I have said so often in the past, the process of economic development is not exclusively confined to a list of projects forming a capital investment programme. It extends to all areas of economic activity and, indeed, to areas of social activity and to how these inter-relate in preserving and promoting the stability and development of the economy as a whole. In other words, there has to be coordinated planning behind how the Government taxes and borrows and how it spends and invests thereby helping to generate employment and to re-distribute income. I make this point with deliberate and particular emphasis this year when the course of the economy is indeed difficult and the constraints are abnormally severe. I think that this is evident from the estimates of expenditure and the revenue measures which are now before the House. Also evident, I hope, is the necessarily cautious but positive approach which we have adopted. Mr Speaker, the economy has reached a crossroads and our very survival as a people and as a political entity are at stake. This is not a time for party political wrangles or for personal gain, it is a time for a concerted effort to put Gibraltar first, second and last from both trader and consumer and from employer and employee. We are perilously near the stage where inward thinking can override communal interests. Where sacrifice, hard work, and change may be resisted in favour of protectionist attitudes, in favour of restricted practices and from purely materialistic obsessions. In this respect I would like to explain how the Government sees the problems and how it intends to give the lead. Clearly, our greatest problem is the future of the Dockyard. The Hon Financial and Development Secretary has already described the current position and the extent of the work being undertaken to enable the Government to take its decision on commercialisation next month. Naturally, the problem is of constant and immediate concern to those under direct threat of redundancy but it should also concern others, notably those who perhaps unintentionally find their attention diverted by other developments such as the current spending spree in Spain. The efforts of this Government on the Dockyard will certainly not be diverted whether the frontier opening is restricted or fully normalised. Those gates hold no real comprehensive basis for the stability and for the growth of the economy and even if they did it would be insecure and almost a surrender of our wellbeing to those who have on so many occasions demonstrated their true objectives and who continue to do so on an almost daily basis. It is therefore vital that if the Dockyard closure proceeds that the alternative should provide a firm foundation for our economic future. If we are to reject an alternative let it be on rational and on defensible grounds. Let us not forget that the British

Government has given an undertaking and that it is prepared to provide substantial financial aid and other assistance to honour that undertaking. I do not see that as a pay-off nor as the price of conspiracy. Let it be clear also that I am not attempting to acknowledge defeat on the stand against closure of the Naval Dockyard. Nor am I prepared to absolve the British Government from its wider responsibility. I am too familiar with the serious economic consequences of closure and with the constraints posed on our development efforts by defence requirements and by frustrating delays on development aid. I wish to highlight the role of Gibraltar Government officials in the project study currently being undertaken on the Dockyard. Their remit goes well beyond a detailed scrutiny of the commercial operator's proposals or the Ministry of Defence stand on the release of Dockyard lands and assets. This is critical because as far as we are concerned any alternative must offer a broad based solution which extends to the future use of land and assets occupied by the Ministry of Defence outside the Dockyard. It must not survive at the expense of other unrelated types of existing activities or industries but should, if anything, supplement or complement them. Above all, it has to offer reasonable prospects for preserving employment and income levels. I hope, therefore, Mr Speaker, that it is clearly understood that whilst we faithfully recognise the British Government's willingness to help Gibraltar, this will not colour our thinking over the merits or demerits of an alternative proposal to the Naval Dockyard. I will now turn to a more specific area which is closely related to the effect of the initial announcement on Dockyard closure and the potential consequences - unemployment. I am very concerned at the rise in unemployment and the trend may not be easily reversed even with renewed development activity. It will certainly worsen if the Dockyard closure proceeds, with or without commercialisation. The Government will therefore have to seriously consider certain steps to mitigate this. These cover a number of areas where we may have to change, for example, our direct employment policy and/or use fiscal means to readjust the opportunities for employment particularly in favour of young Gibraltarians. I will refer to a number of areas. Take the case of re-employed pensioners with high income levels, more so those rightfully enjoying the full benefit of the Social Insurance Old Age Pension or those with two or more jobs, or those households where the contribution of the working wife boosts high household income as opposed to providing an essential supplement to maintain decent living standards. I hope we do not have to consider these adjustments but they may prove necessary in the interest of Gibraltar as a whole and of young people in particular. Social justice may demand that we ensure a fair distribution of our employment opportunities and our income and it is against this background, too, that the cuts in the proposed departmental bills, and I think the Financial Secretary mentioned or was it the Chief Minister, the figure of about nearly £3m, should be considered. That is what we are trying to spell out in a specific manner in the current

disagreement, I won't call it a dispute, over the working of overtime in certain sections of the Public Works Department. I think the questions that are posed, Mr Speaker, are whether we should perpetuate a situation involving earnings of over £200 a week for some whilst others are out of work. Can we also have people in Government employment earning \$8,000, \$9,000 or £10,000 a year doing part-time work as taxi drivers, a point which I made here previously in the House and which I have made with a great deal of passion to the Gibraltar Taxi Association. I do not think we can do that, Mr Speaker, in a situation where if the principles of social justice mean anything, in a situation where there is likely to be increasing unemployment, particularly next year. Therefore, what the Government has tried to do in pruning the departmental bids for expenditure has been to make funds available in the Consolidated Fund in order to be able to transfer them when the need arises to the Improvement and Development Fund to generate work for the building industry, an industry where we have heard there has been a drop of about 22% in jobs recently, from over 600 to 400. This is already in hand with regard to the Rosia Dale Housing Scheme where the Government intends to transfer \$1½m and it is the intention at an appropriate moment and when the need arises to do likewise in respect of further new housing and in respect of schools. I would appeal, Mr Speaker, to Trade Union leaders to realise that they also have members elsewhere, in other industries which have been suffering a recession, such as the building industry, and as they also have members out of work or former members who are now or who may be out of work and whose interests, I think, they also have to look after and they have to weigh up against the interests of those people who for some years have been getting used to very fat pay packets. As I say, Mr Speaker, I do not mince my words as to my interpretation of what social justice is all about and this is what I am saying when I referred to the need for change and the need for obstacles not to be placed in the way of such change, obstacles which are motivated by purely materialistic reasons. Another area, Sir, which has to be closely monitored is the discriminatory frontier opening. Recent events have once again shown that as far as the Spanish Government goes we are still dealing with the same dog wearing a different collar of, perhaps, unavowedly more humanitarian hue. I have never pinned our hopes on an economic bonanza with an open frontier. I suspect that even if it were to be so the Spanish Government will probably try to ensure that it does not materialise. It all vindicates what I said last year about self sufficiency in our essential services. Whatever the high cost might be, our development planning will therefore continue to provide for our own independent supply of electricity and water even if it means higher taxation or higher charges and I hope people will ponder on this when they react to the proposed increases in water service and to the existing burden of electricity costs. Turning to the economic effects of the current frontier opening, I would like to explain that whilst the Government will be

introducing certain measures these will be tailored to ensure that the consumer is not unfairly affected and that those who go to Spain pay as far as possible for the cost of providing those facilities which allow them to do so. It would be foolhardy to introduce measures which will protect not the economy but monopolistic practices in some areas. I hope that trade will respond positively to the new situation and offer a better and more competitive market for their products and not just attempt to excuse their inability to do so by claiming that Government duties are high and charges are also too high. I would not wish to extend price control but it may have to be done if we do not see a fair deal for the consumer in those areas where we have now seen clear evidence of what can only be described as profiteering. The Government has already taken a lead on import duties. It will also continue to offer substantial assistance to the hotel and shipping sectors. And on this question of a lead, Mr Speaker, and of the kind of response that I expect, I want to digress for a moment to say that what I am expecting is in fact a reduction in margins. One would not wish to see a repetition of what has happened recently in a sector of trade which at the same time that it has called on the Government to introduce imaginative measures, has also increased on an item which is in great demand, namely, these small computer games that we see our children around with, these have been increased recently in price from about £7.50 to £12.50. Why? Presumably because they have been in great demand. If that is the way that some traders are going to respond to the Government measures then even if the Government scraps all import duty we are not likely to be competitive and Gibraltar is very unlikely to get a good name as far as its shop prices are concerned. Another aspect of the frontier situation which the Government will follow closely are property purchases in Spain and the possibility that some Gibraltar residents may practically opt to reside there. It may be difficult to control the outflow of capital but again we shall consider introducing other measures to redress the loss. It is also doubtful whether those who take up all or most of their residential time in Spain will be allowed to benefit fully from the services which they or their families enjoy here at Gibraltar's expense. I now move on to the Development Programme. There is little really that I can add to the statement which I made to the House in February. From page 95 of the draft estimates Hon Members will note that disbursements last year were just over £1m. This clearly reflects the effects of the delay which I have referred to on many occasions in the past. Total estimated capital expenditure for this year is put at £10m of which £5.1m relates to ODA disbursements. A further £2.5m of aid funds are earmarked for the following year. These figures, however, will need to be revised upwards in the light of the final allocation of the £13m amongst individual projects. The critical factor on aid project will be the response of the ODA to our application for the funding of two distillers at a cost of some £6.6m although the estimates at this stage only reflect the position for the first distiller. A reply is awaited shortly. An application for the funding of the

installation of the third generating set at the new Power Station has now been sent. Local funding of some £6m this year will be concentrated on housing and on education projects. On housing, the estimates reflect the projected start on Vineyard Stage I, Tank Ramp Stage II, Castle Ramp/Road to the lines Stage II, and repairs to the Tower Blocks. On education, new provision is being made for St Mary's First School. I would also refer to other new projects such as Government offices, the Military Museum and the footbridge at Sir Winston Churchill Avenue. If possible, the Government will transfer further funds from the reserves to fund more housing and other essential developments. This will depend on development, generally, during the year and on how they affect the Government's finances. Our planned borrowing and budgetary contribution to the capital budget amount so far to £11.5m over the next two years. This is substantial by any standards, let alone in the light of our current economic circumstances. Sir, before I move on to private sector development I wish to make some reference to the amendment which the Government is introducing to the Development Aid Ordinance to stimulate pioneer industries. At present there is under the Development Aid Ordinance no provision for granting relief to pioneer or new industries, particularly where these do not necessarily involve the construction of major buildings or other fixed assets. There is also no provision for exemption from payment of import duty on raw materials and having regard to the need which we have been stressing for economic diversification, the Government has considered that the Ordinance should be extended to provide the necessary incentives which will stimulate the growth of new economic activity and it is therefore considered that for the economic benefit of Gibraltar a pioneer company or activity should be granted relief from the payment of corporation tax, from rates and import duty and so the Ordinance will be amended to allow the Minister for Economic Development on the advice of the Committee appointed for the purposes of this Ordinance, to declare any company or activity to be a pioneer company or pioneer activity in accordance with existing criteria. Turning now, Sir, to private sector development. Last year I expressed satisfaction with the progress made on some of the major development schemes and I stressed the important role which is played by the private sector in the field of development. I am pleased to say that despite the difficult times ahead it has been possible, with considerable effort, to maintain stimulus and ferment interest in a further number of important schemes even though the practical results may in many instances not yet have seen the light of day. I always say, Mr Speaker, that I am a frustrated Minister for Economic Development because I keep on bringing projects on stream and because of what I would call the crisis of confidence surrounding the non-event on the one hand of the opening of the frontier and on the other and much more serious, the Defence White Paper and the announcement of the closure of the Dockyard in 1981, there just does not seem to be sufficient confidence to invest in the private

sector of our economy in projects which are of an urgent, touristic and commercial nature. However, I suppose we have to be grateful for small mercies and in this connection the proposed development of the multi-storey car park at Cascades did receive an encouraging response from developers, as the House knows, and although it has been the subject of some controversy with those whom I would term as extreme conservationists, I think it has been welcomed by people as a whole and in particular by the building industry. The scheme will cater for at least 400 cars and in addition will create a complementary centre of commercial activity at the very entrance of Main Street. The successful developer is now in the process of undertaking all the pre-contract work and if, with the help of the MOD, it is possible to provide temporary accommodation for the services families, the scheme which is estimated at some £5m will hopefully get off the ground this year in anticipation of the need to provide permanent reprovisioning. For our own part the Government is trying its utmost to resolve the many problems which are associated with the development in order to secure this important investment in the interest of our economy. As I said before, Sir, a policy of encouragement must be carefully planned to ensure a level of activity which will neither undermine nor overstress the capacity of private sector investment. It must also, as I stated last year, go hand in hand with and complement public development and it must be geared in the interest of diversification at striking a healthy balance between the two. It is with this in mind that the tenders for the development of the Old Command Education Centre at Cornwall's parade have now been invited. The scheme, which Members will recall, was the subject of a wide public participation exercise in May last year, provides for an exciting rejuvenation of old derelict buildings in the heart of our city consisting of cafeterias, shops, offices, open squares and an element of residential accommodation. The scheme is also the first to introduce strict planning guidelines for the public benefit. The successful developer will therefore be required to adhere to a development brief which has been prepared by Government's planning consultants but cutting down abortive work on preliminary plans. In this way it is hoped to attain the highest measure of development control for the benefit of our community. This policy of encouraging private sector development has not only extended to projects which render direct economic benefit but also to schemes of social significance closely allied to the needs of the local population. I refer of course to the scheme launched last year in which a number of dilapidated dwellings have been disposed of by tender to families who had little immediate prospects of finding suitable accommodation but were prepared to alleviate their housing situation through their own efforts. The scheme has enjoyed a large measure of success as is evidenced by the fact that no less than 73 families submitted tenders in the last batch as opposed to 10 families when the scheme was first introduced. The position today is that a total of nine Crown properties have been allocated by tender and when

refurbished by the tenants they should produce twenty housing units of an otherwise wasting asset and at the same time will resolve the housing problem of twenty young families. In order to maintain momentum a further seven properties have been identified for inclusion in the scheme and will shortly be put out to tender. Private sector housing development is also proceeding at a modest pace. In August last year the Government purchased six flats from a local developer for a price of £190,000. This same firm has now commenced development on a site at Euna Vista comprising some twelve dwellings intended for sale. The site was originally awarded by tender to another company which failed to commence development within the stipulated period. The tender was therefore withdrawn and awarded to the company who had also tendered for the site and were anxious to proceed with construction. In doing so the Government gave primary consideration to the need to stimulate private sector development in a property market situation which in these difficult times requires earnest investors and not mere land speculators. Land is at a premium in Gibraltar and it is the Government's intention to ensure optimum use within the existing parameters. Another opportunity for private sector housing will shortly be available with the disposal by tender of a large property and adjoining ground in a prime residential site. I refer to the old Chief Justice's residence at Bella Vista which has been lying vacant for some time and which will be made available for private housing either in three individual plots or as a comprehensive development not exceeding six dwellings. There are also two other sites which will be made available for development for commercial purposes, namely, the old Public Works Department workshop at Library Street and an area of waste ground adjoining St Martin's School which is ideally suited for a restaurant or similar tourist orientated development. By far the most important scheme, however, is the East side reclamation project which I mentioned last year and which has aroused great widespread interest and which would, if it materialises, constitute a major addition to Gibraltar's assets. I have already informed the House on a number of occasions of the state of play to use a cricketing term for my Hon cricketing friend who has a great interest in the project, regarding selection of the two parties whose schemes are under consideration. I do not propose to explain the intricacies of the situation except to say that before a choice is made the Government intends to exhaust all the precautionary steps it could possibly make to ensure that a decision is not only fair but is also for the economic benefit of Gibraltar. It is with that reasoning that the two parties who figure prominently in the international property scene have been invited by Government to investigate the possibility of joining forces either in carrying out the necessary feasibility study or preferably in undertaking all the development from inception to completion. Whatever the outcome, the Government is most anxious to take whatever steps are necessary to ensure that the project gets every encouragement. Before I conclude, Mr Speaker, I wish to pay my own small personal tribute to my

Hon Friend, Reg Wallace. His wise and disinterested advice and his deep sense of identification with Gibraltar has been most noteworthy. I have enjoyed working closely with him, in particular during the last three years, and I have learnt a great deal from him. I know we shall all sorely miss him next year. In conclusion, Sir, I have attempted in my contribution to this year's debate, and that is to this year's budget debate, because that is what the new procedures really amount to, for the first time, I believe, Mr Speaker, to analyse positively and in depth the broader economic issues affecting Gibraltar. I have said that our problems are beginning to transcend pure party politics or sectarian interests. I therefore call on Members of this House to debate these issues dispassionately so that as a whole we may better understand our problems and contribute to that process of consultation which started last week and which will continue with the Dockyard issue in a manner which will redound to our credit as parliamentarians and for the benefit of those whose interests we should be serving in our capacity not just as elected representatives but also as servants of the people of Gibraltar.

MR SPEAKER:

Are there any other contributors?

HON A T LODDO:

Mr Speaker, this is my fourth budget intervention. I have noticed over the last four years a pattern which repeats itself. Every year I have noticed the Government ending up with a larger surplus than they expected and to me, not being an economist, it can only mean one of two things, either that they underestimated what they were going to get from the revenue raising measures that they were going to adopt or that in fact they were over-taxing. I know that this line of argument has been called a bogey, up comes the old bogey of over-taxing. But, Mr Speaker, if it is not one thing it must be the other. At the end of the day if you have more money than you expected it has got to be one or the other. Also, every year, I have noticed that although we vote money under certain Heads, the money is not used up and one would think that here we have a saving but, unfortunately, we do not apparently have a saving because that money is reallocated later on during the year and used up for something else. I realise that the budget of a country, even of a micro chip country like Gibraltar, cannot be as easy as the budget of a household. But still it is food for thought. This year it appears that the Government, rightly so I think, is intent on economising but I wonder how true the picture is. If I could refer to one particular department, and that is the Police, I notice that this year the Police will be spending or are asking for less money to spend on equipment, on uniforms, but at the same time the Commissioner of Police is asking for an increase in the establishment. If you are going to have an increased number of constables you are going to need more equipment and you are going to need more uniforms.

MR SPEAKER:

Unless they are on plain clothes duty.

HON A T LODDO:

Yes, but still we would have to have an allowance. I cannot understand how we are budgeting for less when we are in fact going to be needing more.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I do not want to interrupt in the flow of the Hon Member's speech but I would like to point out that in fact the Estimates as presented to the House do not include the additional provision which will be required for the additional police for which the Commissioner is asking. It came in after the Estimates had been prepared so there will need to be a supplementary later in the year.

HON A T LODDO:

I thank the Hon the Financial Secretary for that explanation. That explains the police. However, I took the police as merely one example, I am grateful. Mr Speaker, I would like to comment on education and I would like to take this opportunity to express my regret that although the Westside Girls' Comprehensive has been operational now for some months, Government has yet not seen fit to open the school officially. I am not saying that because I want an invitation but because I think that after so many years the least we can have is an official opening of such a wonderful school as I understand this school to be and I hope that whatever wrinkles still remain will soon be ironed out. I must also express my regret that on the Education vote we seem to have forgotten completely that inflation takes its toll and we are again estimating the same amount for books and equipment. I even notice that as far as assistance for Youth and Cultural activities are concerned we are down on last year. This is all the more regrettable when it appears that the restraints on overtime and allowances, even with all the exhortation, will still mean £4.3m. Mr Speaker, I believe that the education of our young is our investment in the future. What we put into education is what we will get out of it eventually and what we skimp on education today we just cannot make up tomorrow. Time has gone and the opportunity is wasted. Mr Speaker, talking of time going, time is going and we still have not got our College of Further Education. I believe that this is a crying need for Gibraltar and the continuing hostility of Spain will prove or must prove to even the most blind that we must be self sufficient in every sphere and one of the essential needs, I believe, in our education is a College of Further Education. This is a gap in our educational system which I feel we must close. Mr Speaker, I was very pleasantly surprised in going through the estimates, to



see that for the first time in three years Government's contribution to sporting bodies has been increased by no less than £500. Mr Speaker, I did a quick jotting down of different sports in Gibraltar and if we share them equally between them it works at about £25 per sport. I know that this is an insignificant amount but I welcome it because I take this as an admission on the part of the Minister that he has been rather neglecting our sportsmen of late, certainly within the last three years. Once again we have the proposed Stadium charges coming up. Mr Speaker, I believe at the last budget I asked whether these proposed revenue measures were in fact a promise or a threat and whether they were one or the other they should not be made if the intention was not to carry them out. I believe that now this question of the proposed charges has become a bit of a joke and I would urge the Minister to accept the policy advocated by the DPRG of having sportsmen run their own sports. I would also urge the Minister to get on with allowing advertising in the Stadium. In the last budget session the Minister said that he would be implementing this. So far, apart from the odd clock, I do not think I have seen any advertising material in the Stadium. Mr Speaker, I believe I am right in saying that Government is finally becoming aware of the importance of conservation. In Gibraltar we are blessed or cursed, depending on your point of view, with a tremendous wealth of history, military history, primarily, and the visit last year of the Save Britain Heritage Group resulted in a very interesting pamphlet which I would recommend to all Members of the House. I think I said before that in Gibraltar we have been trying to sell the wrong product. In Gibraltar we have been trying to sell sand, sun, sea and sex. It does not matter the order, I do not think it has any relative importance. But in fact, we have had a product to sell, we have been sitting on this product all these years and we have not capitalised. Not everybody who goes on holiday is out for discos and gambling. Well, I hope that the other option is taken up but not everybody who goes out on holiday is looking for the same thing. There are a number of people who derive great pleasure in visiting cathedrals. I have no time for visiting cathedrals but there are a number of people and there are places which capitalise on the fact that they have a number of cathedrals. We have a number of historic military sites and that is what we should develop. Anybody wishing to see a fortified city, a completely walled city, starting from this point I believe would have to go to Avila before he could find a completely walled city, I might be wrong.

HON CHIEF MINISTER:

There has been a trip announced in the paper last week-end.

HON A T LODDO:

Mr Speaker, by this I am not advocating that people should go to Avila, I am advocating that they should come here. We have here a walled city, a fortified walled city, which is something we should capitalise on. We have a product and we should sell it but we cannot sell this product on its own. We must offer the tourist who comes here a continuous supply of electricity, clean streets, and efficient services. I would like to see, Mr Speaker, some form of catering courses, courses in hotel management at all levels, we could do with it. This is something on which my Gallant Friend, Major Peliza will probably expand but I felt I had to say this. I know that the cleanliness of Gibraltar is of concern to us all. Perhaps I look at this problem from a professional point of view, being an ex-Public Health Inspector. Now they call them Environmental Health Inspectors but whether you call them sanitary inspectors it still amounts to the same thing, professional men who deal in public health, and I am alarmed that the cleanliness of Gibraltar is going from bad to worse. I realise that Government is trying to cut down on non-essential overtime and I agree that that should be the case but I would ask, is the cleanliness of Gibraltar not essential? I would like to hear more about what has brought about the present situation. It is not clear in my mind and I would like an explanation on that because I feel that this is not a way to sell Gibraltar. Mr Speaker, this year we have a typical pre-election budget. It is nothing to be ashamed of, I mean, everybody does it all over the world. We have got to have an election within the next twelve months so, presumably, this will be the last budget before the election. This is a typical pre-election budget which everybody does and which there is no cause to feel embarrassed or anything about. But even with the mildest of revenue raising measures, Mr Speaker, there is bound to be justifiable cause for complaint. I certainly have one. What, for example, can the motorist expect for his higher petrol and for his higher road tax - precious little. The pedestrians who now walk up and down Main Street are virtually on an assault course to judge by the state of some of the pavements in Main Street and the kerbstones which are a danger. I have mentioned this before in this House. There are some stretches of road which will do to an old car today what presumably the MOT will do to old cars next year and that is get them off the road. Mr Speaker, whilst still on traffic I do hope that the question of derelict cars is tackled with more enthusiasm and more vigour by the police than of late. Heaven knows we have enough legislation to deal with this problem. We even passed some legislation in this House where it is an offence to abandon a car even in your own back-yard and yet in the last meeting of this House when I asked how many prosecutions there had been there had been none. I would urge the police to act more vigorously in this matter. This is one way of helping to solve the parking problem. Another would be to set time limits for parking in certain areas where it would be convenient to have a flow of traffic. Mr Speaker, I believe there are more ways of solving the parking problem or

helping to solve it, than just going around with unlimited amounts of yellow paint and a four inch brush. Finally, Mr Speaker, I must bring up the point of the Dockyard which everybody has brought up, which is of concern to all of us although we might not all react in the same way. To date, possibly because I am not in full possession of all the facts, of all the studies, to date, Mr Speaker, I am still not convinced of the viability of commercialisation. And if I needed anything to convince me further, the remarks made by the Hon Financial Secretary this morning has confirmed it. I also believe that this is a problem which is too big to be tackled by individual parties. I believe that this is a problem greater still than the problem of nationality and I believe that a concerted effort should be made by all parties, a united front should be made presented by all parties and that a visit to the Mother of Parliament should be made by the leaders of the three parties represented in this House and if need be by more Members, a strong delegation to impress on the British Government the disaster that would befall Gibraltar with the closure of the Naval Dockyard and nothing really viable to take its place. Mr Speaker, that is the sum total of my contribution.

MR SPEAKER:

May I advise any other Member who wishes to speak that they can take the opportunity to speak both on the revenue and expenditure and the revenue raising matters and that I will not of course, when the Appropriation Bill comes along, allow any repetition on expenditure since I think it is right that Members should have an opportunity to speak on both at the same time. Are there any other contributors to the debate now? Well, there seems to be an anticlimax. I am not going to sit here until someone decides that he wishes to contribute to the debate. If there are no others I will most certainly invite the mover to reply.

HON CHIEF MINISTER:

Although I agree that we should alternate, the difficulty some Ministers find themselves in is that their Departments are shadowed by more than one Member and therefore they do not know what is going to be said in respect of the other Department which is shadowed by another Member, hence the reluctance to be able to reply.

HON P J ISOLA:

On our part of the House, equally, it works both ways. We are anxious to know what are the policies of particular departments before commenting on them. I agree that we have problems of debate but there are only six of us here and there are eight Ministers and the Chief Minister has the advantage of the last word as well.

HON CHIEF MINISTER:

Yes, I accept that, that is one difficulty in respect of that. So far as the question of the policy is concerned, of course there is the advantage, insofar as that is concerned, of the Minister being questioned on the particular vote when the time comes for the Committee Stage of the Appropriation Bill.

HON P J ISOLA:

The shadow of the Minister for Municipal Services has already spoken and the Medical and Health Service shadow has already spoken.

MR SPEAKER:

In any event, I am not going to have a debate within a debate as to who is going to speak next.

HON CHIEF MINISTER:

If there is no other Member, I am not asking for any guarantee, but if the Hon Leader of the Opposition says that the shadow on Medical has had his say, well, as the Hon Member was outside I will call upon my Colleague to do that.

HON J B PEREZ:

The only problem, Mr Speaker, is that I was expecting my shadow on Housing, the Hon Mr Haynes, to have listened to his views, if any, on housing before I spoke on the two departments for which I have responsibility.

HON CHIEF MINISTER:

other  
There is, of course the possibility and that is that those that have split shadows may well be dealt with in the short, I hope, short debate on the Appropriation Bill.

MR SPEAKER:

Let there be no misunderstandings as to what is happening this year as against what has happened other years. The rules have not been changed. All we have done is that we have suspended one particular Standing Order which says that the Finance Bill should not be read until the Third Reading of the Appropriation Bill but the procedure has been exactly the same. We are now speaking exclusively on the financial measures to be introduced by the Government for the revenue raising enactments. As no other Member wishes to speak on that of course he will not forego his right to speak on the Appropriation Bill but then, of course, I will make very sure that on the Appropriation Bill they will speak exclusively on matters relating to expenditure and not to the revenue raising measures.

HON CHIEF MINISTER:

I am sorry we are dilly-dallying a little on this one but it is very important for the future that we try and get it right in this new procedure because it could save a lot of time in the future. Anyhow, I have a player now. I was hoping that we would avoid a second debate in the Appropriation Bill. If anything happens that has not been touched on, yes, but, anyhow, as I say, I can now field a player.

HON P J ISOLA:

Mr Speaker, we are hoping to avoid the debate in the Appropriation Bill. As I understand it the way we are looking at it is that because the Financial and Development Secretary and the Chief Minister have opened up on the estimates of expenditure and on the financial measures, we are hoping to have one main debate which is this one but we recognise that there could be, I am not quite sure how, I think we will have to learn by experience, some matters that are appropriate to deal with in the Appropriation Bill although we are ourselves looking more to the detailed discussion on the Committee Stage of the Appropriation Bill to bring up particular things. We do not anticipate a debate in the Appropriation Bill.

HON M K FEATHERSTONE:

Sir, we haven't had many speakers from the other side but from what I have heard I quite agree the streets of Gibraltar are dirtier than ever because they have thrown out such a lot of rubbish and it is going to take a lot of cleaning up to get rid of it. The Hon Mr Loddo made a very interesting statement in which he said this was a typical pre-election budget. Well, Sir, I would rather take issue with him I think, if anything, it is almost the antithesis of a pre-election budget. There has not been, as is often claimed by Oppositions, a vast give-away in a pre-election year. Had we wished to do that sort of thing and it is not normal with the GLP/AACR Government to make give-aways, so much so that I can remember on three occasions that we have gone to elections, partly in this House and partly in the City Council, following completely strong revenue raising measures but the electorate have still returned us. We could have given away quite a lot had we so wished it on income tax and yet we have held firm because we feel that this is not a year in which we can afford to make large give-aways. This is a year, Sir, in which the watchword has got to be the most careful use of money in our economy that we can possibly make. The possibilities of a difficult situation arising possibly from January onwards with the closure of the Dockyard, and who knows what is to take its place, and if something does take its place at what level, especially at what level of employment, may mean that a considerable number of people perhaps and hopefully only in an initial stage, but perhaps for some time may be thrown on to the unemployment market with the result that,

firstly, they will need to draw money from the Unemployment Benefit Social Security Fund and not contribute anything towards the exchequer by way of income tax paid and should they remain unemployed beyond the normal period in which they obtain Social Security Benefit, then they would come on to the Consolidated Fund through Supplementary Benefits etc. And so, the whole gearing this year has been that it is considered that revenue will not be as buoyant as it has been over recent years. The comment has been made because revenue occasionally, or to some small percentage has been a little more than estimated, then either Government has overtaxed the people or has not estimated properly. Well, Sir, I would classify that as one of the pieces of rubbish that the street sweeper will have to pick up in due course. I will be somewhat parochial, Sir, and speak basically on the economic effects in the Public Works Department. We have had a number of comments, some of them with a little justification, some with no justification. We should give credit where credit is due and basically the normal output of the Public Works Department is something which in the main can be taken to be relatively satisfactory. I give you one example over recent weeks which nobody yet has given any credit to the Public Works for, the work of relaying a whole water main plus other service mains down Prince Edward's Road and the re-surfacing of the road itself. This was scheduled to be a 4 month job, it was completed in 2 months yet we have not heard or seen in the press or on Gibraltar Television anything saying that a good job of work has been done by Public Works and I feel proud to be able to stand up and say that the people concerned have made a very fine effort indeed and Gibraltar should be grateful to them because, firstly, not only have they done a good job of work in itself but they have cut down to the minimum traffic interference where traffic had to go a difficult way round rather than through the simpler method of Prince Edward's Road. Here is an example of men rising to the occasion when it is necessary. But, Sir, I think I would be failing in my duty if I didn't bring to the attention of this House the situation that does appertain in certain Departments of the Public Works, not all by a long way. Of the 900 odd men employed in Public Works a good 500 or more of them have very little overtime at all but in some of the Departments the level of overtime is quite considerable. The Honourable Financial Secretary in his speech mentioned figures of overtime of £25 a week. Well, Sir, in some of my Departments the figures of overtime are considerably in excess of that.

HON P J ISOLA:

He doesn't wish to give any figures as to how much more.....

HON M K FEATHERSTONE:

I shall come to some of the figures in due course. And because it was essential this year owing to the need to keep our finances as close to the estimates of revenue as possible, we had to, as the saying goes, cut our suit according to our cloth and we had a very good look at some of the areas where there was a large

amount of overtime, and the first area which came to our perusal was the area where refuse is actually burnt at the Refuse Destructor. Here the average wages being paid were some 89 hours per week and as I think I have already commented in the press, the wages which were on a basic wage of £85 to £90, were with overtime running between £170 and £200. This is well over £100 in overtime. The first effort made by my Department with regard to this section of the Public Works was to say that the amount of overtime which would still be substantial, was to be reduced to a figure which was considered to be reasonable. This would still have given the men a very good take home wage. I think the £200 wage would have dropped to about £160, and £170 wage would have dropped to about £145. But the result was that the men for reasons best known to themselves, said: "Either we work as we have worked before, or we will work on a purely 39-hour week. This they have every right to do because overtime is something which it is the employer's privilege to offer and the employee's privilege to refuse. And so the situation was that the men decided to work on a 39-hour week and we are having some difficulty in being able to dispose of all the refuse. We have the willingness to offer a slightly increased measure of overtime but still not as much as they were getting before and whether the men will come to this agreement or not we do not know. Some informal talks have gone on but it does seem to some extent that the men are rather adamant in saying all or nothing and it may be for Government to consider whether if no agreement can be reached on a very favourable measure of overtime in the near future, whether a two-shift system should be put in based on 39 hours a week per shift which will be able to cope with the need for burning and which although it will mean for the men who on their own volition are opting to work 39 hours, will mean less pay for them but will mean the taking on of extra men and the cutting down of unemployment. This can be repeated if the urgency for further employment should arise in a number of areas where men are working 35, 40, 45 hours of extra paid overtime such as in the distillers, pumping stations, emergency service, areas which in themselves are not large but where the amount of take-home pay is in many instances £60 to £75 above basic wages. If the cake that is available has got to be shared more equitably than I would think that this is the correct way in social justice to meet the case. We cannot have some people earning a very large amount of money, much of it on overtime and other people suffering not only the degradation of unemployment and the shortage of cash that comes with it, but the fact that they have to see perhaps their neighbour almost rolling in luxury whilst they are suffering deprivation. Regarding the street sweeping, Sir, here again we decided that some overtime cuts were to be made. Perhaps we went a little too far and we are now looking at the situation to see if we can give a measure of overtime so that at least the central area of the town can be swept on a Saturday and a Sunday but I think, and I say this as a considered opinion, that the Gibraltarians, we are a dirty lot. We throw rubbish away, we put rubbish out of our shops indiscriminately without any thinking whatsoever whether it is going to create a mess or not. I am not

saying we should be draconian as the Government was in Singapore where I understand that even to throw a cigarette end costs you a fine of £25 to £50 but I think we could take a leaf out of the book of the people of Singapore who have one of the cleanest cities in the world from what was one of the dirtiest cities by not throwing rubbish out so indiscriminately as we do. Over the last 2 weeks in which it has been common knowledge that there was no road sweeping and no collection over the week-end, people still pushed out from their shops, from their homes all sorts of rubbish knowing full well that it was not going to be collected and over this week-end with rain threatening, knowing that it was going to make a nasty pulpy mess.

At the same time, Sir, I must lay a certain measure of blame on the part of those people who are not willing to allow machinery to assist in cleaning the roads. We bought a special machine of which I was asked the question I think earlier in the House when we met at the previous part of this session. This road sweeper has the ability of being a flexible machine and was bought with the idea of assisting at any area where it was required to help in cleaning and unfortunately this has been resisted and the machine is now being blocked. I think this is a very unfortunate and sad situation and I would hope that the Unions would realise that where machinery is provided to assist in keeping the place clean at no redundancy of labour whatsoever, then it should be welcomed and it should be used to the greatest extent possible. I would hope that sanity will prevail and that this machine will be able to be used in the Main Street to help out cleaning as and when required. A remark was made by the Honourable Mr Restano against the Public Works Department which was apparently alleged to have made a large number of reallocations of cash commonly known as virements. Sir, where you deal with a Budget of some £7million, I do not think that one can estimate to such accuracy that you cannot have between separate departments variations of one or two percent. Some will spend 2% more than was estimated, some will spend 2% less. Why does this arise. All sorts of reasons, not least the number of men who decide to take unpaid leave, and so their salaries are not paid and the department finishes up with some extra money. On the other side, you get departments which get extra expenses coming along, perhaps the need in the Roads Department to do up something urgently and it has to be done on overtime because it is of an urgent nature, and so they tend to overspend a little. And so the money is reallocated from one department to another. What does it come to? Even if it is 2% of the total budget it is a minimal amount, and to say that this is proof of poor management, I think is one of the most fatuous statements that has been made so far. I regret, Sir, at this moment, I cannot give you the water losses for last year. As far as I understand from my department they are being contained quite satisfactorily with the consistent efforts being made by night testing and it is hoped, and I will if I do get the figure later in the meeting bring it to

the House, it is hoped the figure will be if not as good as last year's figures, which I believe was 13%, somewhere within the 15% range. It is not water losses which is causing the increase of price in potable water that we are putting this year, it is simply, as I am sure the House well knows, that the cost of production of water over the last year has risen very considerably. The marginal cost of water last year was around the \$3.75 figure but, unfortunately, everything that is said in this House is noted and is acted upon by outside sources and our friends the other side of the Straits who supply us with a quantity of water, heard what our water figures were in Gibraltar, heard what prices were for distilling of water and thought that the water they were giving to us was far too cheap and they were going to climb on the bandwagon and they gave us an increase of something like 60% in the cost of our imported water. This has made a very great strain on our economy, so much so, I am sure the House will remember, I had to come for supplementary appropriation during the year to pay for this increased price of imported water. At the same time inflation has taken its toll and the cost of distillation has gone up some 10% with increased oil prices and increased prices of chemicals which I am afraid suffer very seriously from inflation. It is to be hoped, Sir, that in the coming year the price of distilled water may be reduced once we get into operation the waste heat boilers from the generating station and should this be the case then I would have every hope that there would be no increase in water prices next year. This is not a promise as such, perhaps we will be here to implement it again, I am sure the electorate will return the same Government, but I would sincerely hope that whoever has to make the decision, if they get the waste heat from the boilers, then with distilled water prices dropping, the need to increase water once again may be contained. The actual increases are relatively small, roughly about 10%, it still leaves water that is supplied to the domestic consumer very heavily subsidised, the average family will be paying for domestic water at \$1.90 a ton whereas as I say the marginal figure is somewhere today around \$4 per ton so the domestic consumer is very reasonably treated. Of course, if the domestic consumer is a heavy consumer and goes into the secondary figures, then he is going to pay around the marginal rate. Water will still be subsidised by the general exchequer to a reasonable extent around \$100,000 and this is considered acceptable. Speaking on development, Sir, over the last year the figures that were put into the Development Programme were in comparison to previous years considerably restricted but they were as far as Public Works was concerned, about \$4½ million. Did we meet that figure? Well, Sir, in previous years we have always been a little bit underspent but this year, perhaps the Honourable Financial Secretary would rap my knuckles for it, but we actually overspent, we spent on the development programme 102% of what was actually estimated. So we met our commitments as far as the development programme went and now in the coming year we look forward to an enhanced programme in which spending once again will return to the figure that we have worked on in the 2 years previous to last year, somewhere around the \$10 million mark and we are

geared up to be able to spend this. Development is, of course, one of the ways in which the Government can push a boost into the economy and one of the things that has been done this year is to transfer into the Development Fund a reasonable sum of money from the Consolidated Fund. I remember some 8 years ago when we transferred a much more modest figure of I think \$½ million, there was a tremendous explosion, especially from the Honourable Mr Bossano, who mentioned at the time that he felt that development should be pushed on by use of raising of loans, etc. Well, we have raised loans this year, we are raising loans again, but we are also pushing some money in from the Consolidated Fund. I am sure that this time the Honourable Mr Bossano will see it in a much more reasonable light and we will not have the long harangue that we had last time. I think, Sir, that we have to accept within the constraints of perhaps a diminished amount of revenue this year, Government has taken a realistic approach towards the situation, has tried to contain expenses within what they hope to be able to meet without running into deficit budgetting, something which I think we must avoid at all opportunities, and I would hope, Sir, that given a modicum of luck, and perhaps a happier out-turn with the dockyard situation than many people foresee, our revenues will be if not as buoyant as on previous years, at least able to meet our requirements for this rather difficult year that we see ahead.

MR SPEAKER

We will then recess until tomorrow morning at 10.30 when we will continue the debate.

The House recessed at 6.55 pm.

TUESDAY THE 19TH APRIL 1983

The House resumed at 10.40 am.

MR SPEAKER:

I will remind the House that we are still on the debate of the Second Reading of the Finance Bill and the last speaker was the Honourable Mr Featherstone and any Member who wishes to contribute to the debate is now free to do so.

HON J B PEREZ:

Mr Speaker, yesterday I listened very carefully to the points that were made by the Democratic Party of British Gibraltar and it appears to me that for the Opposition, who so claim to be the alternative to the GLP/AACR, to the Government, I must confess that I saw no signs at all, Mr Speaker, of any alternative policies or strategies coming from the Members opposite. In fact, to be perfectly honest, I consider that what in fact I heard happened to be and to show a complete and total lack of understanding of the present economic situation in Gibraltar.

The DPBG accused the Government of having a pre-election budget and I think, Mr Speaker, this is totally erroneous and inconsistent.....

MR SPEAKER:

I do not think they said it was a pre-election budget, I think they have all said it very clearly that the budget had been prepared in the knowledge that it will be the last one before the elections.

HON CHIEF MINISTER:

What was said was that it was geared in a way to take the greatest advantage at the next election.

HON J B PEREZ:

The point I am trying to make, Mr Speaker, if you will allow me to continue, is that I find that that criticism would be valid if, in fact, the Government in its measures was giving a lot away this year. But, on the other hand, how can the Opposition criticise the Government for a pre-election budget when on the other hand they are asking the Government to increase personal allowances, to reduce direct taxation, to slash across the board import duties and also to take away taxation from Old Age Pensions. Because the Government has not done that the Opposition are accusing us of presenting a pre-election budget and yet we have not done any of these things. Surely, that means, Mr Speaker, that there is no question of any thinking on the Government side in presenting the budget, thinking of the election which is to be held within the next year. I think the approach of the Government has been a conscientious one and I consider it to be right for the general welfare of the community. I think the measures that have been announced have been taken irrespective of popularity and in my opinion, Mr Speaker, that is what Government is all about. I think to do as advocated by the Members opposite would be totally irresponsible under the present economic climate which surrounds Gibraltar. I think, Mr Speaker, it is regrettable that the Opposition, having accepted the scenario which has been put forward in this House by the speakers on the Government benches, says that we have to be bolder in our measures and in my opinion, as I said already, I don't think this is the time to gamble with people's money. I think Gibraltar is at a critical stage, there are many, many uncertainties and the serious problems which we are going to have to face in this financial year and therefore although measures which may appear popular like increasing personal allowances, reducing direct taxation and slashing across the board import duties, although popular for the forthcoming elections I think would be disastrous for the general economy of Gibraltar. Before considering in greater detail, Mr Speaker, the actual fiscal and allied measures which the Government announced yesterday, I think one has to consider carefully

what the present economic climate is. Last year, Mr Speaker, we had to look at three main points concerning the economy. The first one was the question of the dockyard, the second thing we had to consider was the question of development aid and, thirdly, we were speaking about the possible opening of the land frontier. The Government stand last year, as on this occasion, was one as announced by the Chief Minister, of caution, prudence, and one of consolidating our position in view of the uncertainties that Gibraltar is to face. I think, Mr Speaker, that the uncertainties and the problems are still here with us today and, in fact, I think in certain aspects, they are even more critical than they were last year. As far as the dockyard is concerned, the change from last year, the difference in the position is that the date of the closure was deferred to the end of the year, the British Government seems to be totally unmoved, their minds have not changed as to the closure. However, they are still committed to helping us to provide a viable alternative, the preferred operator has been chosen and the Government is closely looking at the viability of these proposals and as has been announced already, a decision will have to be taken shortly, possibly within the next month. I think, Mr Speaker, that the uncertainty not only remains as far as the Dockyard is concerned but I would say that the day of judgement is drawing nearer and in fact I would reiterate the words which were uttered by the Financial and Development Secretary when he said that in his opinion commercialisation on its own is not a viable alternative. As far as the development aid aspect is concerned there is a slight change this year and that is that a sum of £13m has been granted. I think by no means will these £13m solve all Gibraltar's problems and in fact it is quite clear that we shall have to borrow money, in fact we are transferring £12m from the Consolidated Fund balance to the Improvement and Development Fund in particular for the building of housing. As far as the third factor is concerned, the question of the frontier, in my judgement, Mr Speaker, I think the position this year is worse than it was last year because the frontier has been opened in a manner which is clearly detrimental to our economy. There are many reasons or justifications which have been put forward for people spending money in Spain but the fact remains that rightly or wrongly the amount of money that is coming into Gibraltar in no way compensates the money that is being spent in Spain. I think, Mr Speaker, that the Government has shown leadership on this particular aspect, it has announced that measures will be taken after consultation with the Opposition but I think, in all honesty, that at the end of the day it really depends on all of us in Gibraltar and not just on the Members of this House of Assembly. As far as this factor is concerned I do not think one can blame either the Ministry of Defence or the Overseas Development because I think this is an internal factor and it is really up to all of us here in Gibraltar. As far as the Dockyard is concerned we can blame the Ministry of Defence, we can blame the British Government, as far as development aid is concerned we can do likewise but as far as the amount of money that is being channelled out of Gibraltar into Spain, I think we can only blame ourselves. Last year I think it was the Hon Mr

Bossano who criticised the Government for presenting its estimates and for looking at the situation solely based on a Dockyard economy and I think that that is incorrect and in particular this year the Government has looked at other alternatives, the Government has looked at tourism, at the port and the allied services, we have spoken about the commercial yard, we have looked at the question of exports from Gibraltar, we have looked at manufacturing and light industries, we have considered the question of Gibraltar being set up and being promoted even further as a financial centre and I think, Mr Speaker, that most of the measures which the Government announced yesterday are in fact aimed at these particular, as I term them, alternatives to a Dockyard economy. As far as tourism is concerned there is one point that I would like to stress although I am sure my Hon. Colleague, Mr Zammit, will deal with it. The Government in fact favoured and represented to the Civil Aviation Authority that the Government welcomed and was supporting the application which was made by Air Europe to provide a scheduled service to Gibraltar. Members of the House have heard the load factors which have been put forward by the Financial and Development Secretary which have been extremely high in this last year, in particular the first I think was January, February and March which showed a record load factor to Gibraltar of around 95% and the Government supported this. The problem appears to be, Mr Speaker, that when one considers load factors if one allows another scheduled operator, the load factors must of necessity come down for all and then what the Civil Aviation Authority has to consider is what is the break even point for a scheduled operator as far as load factors is concerned but again the Government supported the application and welcomes the approach from Air Europe who although they have been refused to operate a scheduled service from Gatwick nevertheless they are prepared to do so from Manchester. The Government is willing to help and is actively trying to help scheduled operators into Gibraltar because I think the fundamental thing, the fundamental approach is that from experience one can see that the more seats that are offered to Gibraltar the larger the number of people who will in fact come. Also as far as the port is concerned, my Colleague Mr Canepa announced certain measures which are being taken. As far as the financial centre is concerned legislation has been enacted in this House to try and develop this aspect of our economy. What are the measures which the Government have taken? First of all, we must remember that we did reduce the import duty on cigarettes. We have also reduced the rate of duty as far as small inexpensive items are concerned and I am sure there is no need for me or for any Member on this side of the House to explain to Members opposite why in fact we are really looking at small inexpensive items. Clearly, Mr Speaker, that is to benefit traders and of course to boost tourism. Perfumery has been reduced from 25% to 12%; jewellery from 21% to 12%. The export tax on fuel oil has been reduced from 54p to 27p. That is a substantial reduction and was done because we have found that in the last year there has been a decrease in the number of

ships which have called into Gibraltar for bunkers, that is done with an aim to promote Gibraltar and to help the economy. We have also introduced a duty on metal and wooden doors and frames, that is to protect local industry. We have also introduced legislation or administrative regulations as far as GG plates are concerned. We have looked at the question of development aid in order to provide relief and to bring within the Ordinance expensive capital equipment which certain firms may require to import into Gibraltar to carry on their business here. That, again, Mr Speaker, is aimed at helping the economic situation. As far as the increases are concerned, as far as the funded services are concerned, it is quite clear that we will have a deficit of £2.3m and the Government policy is two-fold. (1) we must be self-supporting as far as these funded services are concerned, we cannot rely on Spain to provide either our water or electricity and if the consumer has to pay, well, we will have to pay for these services if we want to be self-supporting and self-sufficient. Again, as far as the hotel industry is concerned, as far as the electricity undertaking is concerned, although there has been no increase, the discount to the hotels will continue provided they pay their bills within thirty days. As far as water is concerned to the hotels the increase has been from 50p to 55p but the subsidy of 15p per unit will continue if the bills are paid within thirty days. I think, Mr Speaker, that all these measures show a very determined effort by this Government to protect the general welfare of the whole of the community. Mr Speaker, I would now like to turn to the two Ministries for which I am responsible. As far as the Medical and Health Department is concerned, Members opposite will have noticed from the estimates that there is an increase in staff of eight. I do not think there is any need for me to outline the particular eight posts because in Committee Stage no doubt questions will be asked if the Opposition so wish. But I think I ought to say that as far as supernumerary staff is concerned, both Doctor Borge and Doctor Correa are doing extremely well, they are both in UK and it is expected that within the next two or three years they will be coming back to Gibraltar and taking up the post of fully fledged consultants. That is, again, part of the Government's policy of localisation of top jobs. Furthermore, Mr Speaker, we have taken on a number of trainee posts in the department such as the occupational therapy, physiotherapy and speech therapy and the purpose of this is to recruit candidates who can after a short period of in-service training here in Gibraltar proceed to train in their respective disciplines in the United Kingdom and subsequently return to Gibraltar to take up appointments locally. In fact, most of the posts are already filled and it is hoped that the remaining posts of trainee occupational therapist will be filled very shortly. On other matters of general policy, Mr Speaker, I ought to mention that as far as the Medical Department is concerned this year we reached a new agreement with the Scheme Pharmacists as to the method of payment. The method of payment is now on a 28% on cost on the wholesale price of

medicine which is supplied on prescription. I think that this system will not only benefit the chemists themselves but it would provide the Government with a much simpler costing system and lesser need for periodic reviews. Another very important aspect of the Medical Department and which I am pleased to announce in this House, is that following a visit to the United Kingdom by members of my department, as far as the reciprocal agreement was concerned the quota of forty patients has been maintained but we have been given the option for this coming year to select the forty patients which we want to send free of charge and to select these patients whom we wish to send over to the United Kingdom for treatment which cannot be given here and to elect to pay at National Health Service rates. This means that as far as the Government is concerned we will be able to send the more expensive, the more specialised treatment which is required within the quota of forty and elect to have people who are required to go on a second visit, that is, they have had their treatment in England, they come back to Gibraltar, they are required to go back in a month's time, in that particular situation we will elect to pay at National Health Service rates and that individual will not take up one of the forty which is allowed in the quota and I think that is beneficial to the Government's finances. I think apart from that all I would like to say as far as the Medical Department is concerned is that the department is working extremely well and I think this is obviously due to the very hard working staff of the Medical Department, both the non-industrial and the industrial staff. As far as the Environmental Health Department is concerned, that department is also working very well. Members will recall that last year we had not an epidemic but we had a number of meningitis cases. I think the department dealt with the matter extremely well in that they spared no effort in trying to locate the people, the carriers, in giving out tablets to the people and to all the contacts and I think they worked extremely well. As far as my other department is concerned, Housing, Mr Speaker, in the last year we were able to carry out certain changes in this department as far as the allocation of houses was concerned. The waiting list was published making a total of fifty people in each category. We started with a medical panel, a medical panel has been set up which I think will help those persons who are on the medical category list and the last thing that the Government did was in fact to transfer the responsibility for the allocation of all Government owned houses, both private and post-war, to the Housing Allocation Committee and the Advisory Committee. I think as far as Housing is concerned, Mr Speaker, the Government is well aware of the serious housing problem. The Minister for Economic Development has outlined the number of new projects which the Government has planned but of course one must take into account the financial constraints that we have and although one would like to build another Varyl Begg Estate, the reality of the situation, Mr Speaker, is that we just have not got the money to do that. I think, Mr Speaker, to wind up that I would reiterate that in my view from what I have heard from Members opposite, there is a total lack of understanding of the Government's economic situation and I would

urge Members opposite to think very carefully of the problems that we are going to face at least in the next year and to try and be more constructive in this House and try and help Government in its efforts to look after the welfare of the whole of the community.

HON W T SCOTT:

Mr Speaker, I think in the first instance I ought to associate myself with the words already said dealing with the work done over the years he has been in the House by the Hon Financial and Development Secretary. I think on a personal level he has always been so helpful and courteous to me and I think a sadness is that if he had waited perhaps one further year we would have had the distinct honour and privilege and perhaps himself the benefit of having prepared a budget for my party. Mr Speaker, the picture generally to me anyway on the draft estimates seems to illustrate an attempt to cut back at general expenditure but restricted to Heads or to items which are not in the emoluments Heads. One thing stands out quite clearly, in fact, and this is a picture that has been building up over a number of years and that is in some departments the very excessive levels of overtime which to me seems to illustrate and has illustrated over a number of years a need for recruitment in certain departments. There are perhaps a few of them that stand out like the Prison Department as has already been mentioned by my Friend in his policy speech earlier yesterday. On the Police an attempt was made last year to cut down on overtime but it has got back in again this year, and there are several other Heads. Let us face it, Mr Speaker, we are only talking about non-industrial. The picture on industrial is unknown to us other than that which was said dealing with the 900 employees of the Public Works Department mentioned by the Minister yesterday where some levels of overtime had reached something like 89 hours of work. Mr Speaker, I would have hoped to have seen some sign of new initiative in this budget, in the draft estimates. I would have liked to have seen, for example, a new initiative at creating jobs for young people, stemming the flow of the unemployed. We on this side of the House over quite a period of time now have been asking questions of the Minister for Labour and Social Security about the possible introduction of a Youth Opportunities Programme. We feel that his department, the Youth and Careers Office and certainly the Construction Industry Training Centre which started a pilot scheme on the initiative of Members on this side of the House some years back, that Centre is so under utilised that it could very well extend its sphere of operations to take in and help stem this flow. In the United Kingdom only very recently, that Youth Opportunities Programme which I think was introduced by the Callaghan administration, has recently been changed, its name has been changed and several new things that have been brought into it. It is now called a Youth Training Programme and it encourages employers to take young people in and one of the benefits to the employers is that the State itself pays the salary or wages of the young person.



It creates opportunities for young people and it also helps the employer. All that seems to have happened, Mr Speaker, up to now as far as this particular figure is concerned, is just a piece-meal approach, a piece-meal approach by the Minister. I would also have wanted to see, Mr Speaker, a further investment by Government on micro-computers because we are living in an age, Mr Speaker, where the rapid advance of technology is going to dictate, and I use the word unreservedly, is going to dictate the way our lives will be shaped in the very near future. A welcome sign on this over the last year was the purchase of a micro computer by I think it was the Supreme Court, presumably to help with the register of companies and only in the last few weeks, I understand, the local Department of Education has invested in some 8 or 10 or 12 micro computers for the two comprehensive schools. I would want to impress, Mr Speaker, upon the Minister responsible for education not to restrict himself to the two comprehensive schools, not to restrict himself to having 4 computers to each school in a classroom of 40, each child must have one in that class, and we are not talking about £2,000 or £3,000 per machine, the cost in fact can be quite minimal, we can go down as low as £50. But there again, Mr Speaker, that initiative is not there as far as other departments are concerned. I feel, for example there is a prime need, and I know this, in the Economic and Statistics Planning Unit at least to help and accelerate the process of analysing the employment surveys which I understand takes 2 or 3 highly trained people a considerable amount of time to draw up. Mr Speaker, the Honourable Minister for Economic Development and Trade rightly said yesterday how I had had a particular interest in the East Side development and how at every single opportunity that I have in this House I do ask for more information, the state of play and so on, and I did warn him I think on the last occasion or the occasion before that, that a development of this size has to take place very quickly if the interest of the developers is to be maintained. There seems to be some difficulty in Government deciding which of the two offers could be the more beneficial and there was a new initiative as explained by the Minister yesterday. Well, I believe I heard some time ago of another initiative and quite frankly I do not know what happened to that, and that was that they weren't going to enter into a joint venture partnership, it might not be interesting to a developer to do that, they perhaps want all of the cake, not half of it. I remember an initiative that was mentioned to me, I do not think I am giving away any confidences, of the necessary costs of the next stage in the tendering procedure being met in the final analysis by the successful tenderer so that both tenderers could extend the amount of money required to come up with a realistic offer, a realistic development, and spend the money necessary on the hydrographic surveys and so forth, whilst still ensuring that at the end of the day should he not be successful he would not have been penalised financially. Mr Speaker, I would like to emphasise how essential it is to move into this direction and move into that direction quickly because otherwise we might well find ourselves in a

situation where we have no developer interested because that money that he wants to invest in that development might well be required by him somewhere else in another development that suddenly crops up in another part of the world. Mr Speaker, as far as the individual heads are concerned, just general comments, I think will ask specific questions during the course of the Committee Stage, is that we have now reached a level in the Consolidated Fund where it is only marginally below the traditionally largest head of expenditure which is Public Works Annually Recurrent. It is interesting to see, Mr Speaker, and to have heard the Honourable Minister for Medical Services talking about £13million development aid spread over a period of 1981/86. Quite interesting because if we look back in the recent past we see that the electricity generating station is costing something like £7million, all of that money which has been not raised but borrowed by the local Government. But let me add, Mr Speaker, it is not £7million that it has cost the taxpayer of Gibraltar, I think it is nearer £14million. That is effectively, at the end of the day, what it will cost the Government, £14million, which is in excess of what we have had from OEA, and we will have that debt to pay for many years to come and that Head increases every year. I am not saying it shouldn't, I am not saying that, what I am saying, what I am bringing up, is the inordinate rise in that head. It has now reached a level, Mr Speaker, where it is just marginally under £7½million, whilst in 1981/82, when it had already risen sharply, it was just under £4½million. Mr Speaker, I think I am right in saying that the interest alone on that borrowing for the electricity generating station is costing us almost £1million a year and it is rather peculiar because if we accept the figure of £18,000 a week which between the Steering Committee and the contractor running one engine down there is costing us £16,000 plus £2,000, we reach an annual figure of precisely almost another million pounds. So we have a million on interest, let alone repayment of the loan, and also almost another million as a result of the mismanagement of the Electricity Department. Mr Speaker, we have had a new Principal Auditor now who has submitted his first report and I think it would be less than is fair of me not only to congratulate him on his report but also to pass some comment through omission. It seems rather peculiar to me that the largest Head of Expenditure of the local Government has not had one word mentioned in that Report by the Principal Auditor. The Public Works is not mentioned at all. That seems to me rather peculiar and very strange. I do not know if there are any hidden secrets somewhere, Mr Speaker, a comment that he does make which is perhaps alarming to us and there might be valid reasons why this is so but the comment is still there and that is Bland's Cablecar. There seems to be a certain misunderstanding or lack of communication between several Departments of Government because that Cable Car system has not had the required test or inspection by the Public Works. I understand the Director of Public Works is the Titular responsible for such tests, for quite a number of years now, and with the increasing use of that cable car one shudders to think if the requisite tests and inspections have not been

carried out what could possibly occur and I would urge Government to act rather quickly there and to take heed of the comments of the Principal Auditor. Mr Speaker, I was rather staggered in fact, by what the Honourable Financial and Development Secretary said yesterday when he apportioned the figure to the costs of maintaining the frontier, both presumably in police and customs, the figure was £5 million a year. I think, Mr Speaker, again we are bringing into this debate the very excessive levels of overtime worked and when one works overtime, let us make no mistake about this, Mr Speaker, a good proportion of that work is non-productive. There is a clear case here for more recruitment should the Government think that the frontier is going to remain open. Mr Speaker, I would also have expected to have seen within the Department of Labour and Social Security a rise in family allowances because in the Budget where Personal Tax Allowances were raised and also the tax allowance for the first child was raised, there was no commensurate rise in family allowances to bring parents having more than one child, to bring that second and subsequent child or subsequent children to the same level of the first. I brought this up in fact last year and the Chief Minister, and it is a matter of record in Hansard, did tell me that that had been taken account of but with respect to the Chief Minister, it was not. Last year, at this stage, I mentioned that there had been no commensurate increase in family allowances to bring the second and subsequent children to the same level and equivalent to the tax allowance for the first child. This, in fact, was never done. When the tax allowance was raised, I forget whether it was last year or the year before, there was no commensurate rise in family allowances and at the time that I mentioned it last year the Honourable and Learned Chief Minister said that it had been taken into account, but in fact it wasn't. It was not last year, Mr Speaker, and it has not been this year either. This seems to me a discriminatory attitude taken by Government to larger families. I am left with no other impression other than that. On the Port at least the Government is fully aware of how Members on this side feel about the origins of the pilot boat. Mr Speaker, I am also rather concerned about the Public Works when I see that the money allocated for apprentice training is down and yet we are blaming MOD in closing the dockyard and not providing enough apprentices and we have got ours down. Shouldn't we look a little bit more into the future and help ourselves by providing even more skilled people? It is surprising, Mr Speaker, because apprentice training is down and the Government tries to encourage people who have not been awarded an apprenticeship to undertake a one-year industrial training course. Shouldn't it be the other way round? Shouldn't we be encouraging, shouldn't we be providing more apprenticeships? Mr Speaker, in the Financial and Development Secretary's original contribution he did say that the world economy, the rate of inflation had been stemmed to a very large extent, one of the main factors being the stabilising and the lowering of oil prices. We have mentioned this before Mr Speaker, this is not reflected in these estimates on fuel costs. There is no reflection of that here and I do not know whether Government ought to either look elsewhere or renegotiate the particular

agreement or contract that it has with its fuel supplies. I think it ought to have a very close look at this because it seems to me that oil prices everywhere seem to be going down, down to the extent that the Honourable Financial and Development Secretary says it is mainly responsible for stemming the flow of inflation and here we are in Gibraltar paying what seems to be more than ever for fuel. Mr Speaker, there is one comment I would like to pass on Housing and that is that a point of principle. There is a sub-head that deals with housing estates and staircase lighting and the sum is quite large in fact, it is over \$65,000. I would have thought that this would have been down to the tenants themselves on a collective basis through a communal meter, if you like, and the rent being adjusted accordingly or the rental of their electricity meter being adjusted accordingly. I certainly know, and I live in a private house, that my landlord does not pay for my staircase lighting, it is paid between the neighbours.

HON CHIEF MINISTER: .

If the Hon Member will give way. There is an element in the : rent of contribution towards stairway lighting.

HON W T SCOTT:

I am grateful for that. Mr Speaker, finally, on the draft estimates. I am glad to see some move within the Improvement and Development Fund on the new initiative of making Gibraltar more attractive to certain tourists through the introduction of a military museum and I presume that all the subheads which have the suffix (e) reserved - probably the comment has been made there, probably because of ODA. But I think we on our side of the House, and it has been put time and time again by us and particularly by my Hon Friend Tony Laddo, that if we are to sell Gibraltar we cannot compete with the people up the Coast, not only in products, sun, sea and sand but also in cost. But we have our own product to sell and it has been there for the last 200 years, let's use it, let's embellish it, let's use it. Mr Speaker, we also had yesterday the Financial and Development Secretary giving us an explanation on how the last time the personal allowances were raised, how that through inflation has now been eroded and I think he subscribed the figure of an extra £100 in allowance meaning \$2m. Well, Mr Speaker, it seems to me that at a personal level, having already eroded the allowance given two years ago and having the effect of that erosion I think Government was a little bit mean at least not to introduce a further £50 for the cost of \$1m. Mr Speaker, should we not make a further concerted effort because the Public Works bill or housing is enormous, it really is, and it seems to me just by going round the Estates that a substantial element of that cost is perhaps down to the tenants themselves not taking care of their Estate. Should we not make a concerted effort of more Tenants Associations to embellish their own places? It happens, I know, in certain Estates and if there was a comparison between those Estates that have a good Tenants Association and those Estates that do not. I think we could find quite a revelation

in the costs that FWD are subjected to within those two Estates. Finally, Mr Speaker, I cannot let the opportunity pass in this debate to again say what I said at this time last year, a matter which has already been said before, and that is GEC television. Last year I said that it seemed ridiculous to me to be subjected to a television advert throughout the day by our own Station where I pay a licence, we all pay our licences those of us that have sets and we subsidise them to about £2m a year, in Spanish about a Spanish product sold by a Spanish company exclusively in Spain and we are subsidising that Spanish company and the answer that was given to me by the Chief Minister at the time in his winding up was that well, at least if we didn't get that advertising our subsidy would have to be greater. Well, Mr Speaker, I think there are very few Gibraltarians who perhaps would disagree in paying a higher subsidy so long as we didn't have to listen to so many Spanish adverts selling houses in Spain, and we are not talking about spending £10 or £15 a week, £13,000 odd, plus, perhaps, and that is a substantial flow of capital and I wonder about the certain inconsistency there is with that and I know obviously the Government and certainly personally the Chief Minister are obviously not responsible for GEC but a word here and there can help, that and that which the Chief Minister said in the last House in the appeal to people to restrain their spending in Spain. Well, here we have the Chief Minister asking us, asking the people of Gibraltar to restrain their spending and nightly on GEC we actually hear them encouraging us to spend money and that Government, I am afraid, has to take some action. Thank you, Mr Speaker.

HON M K FEATHERSTONE:

Before the Hon Member sits down if he would give way just for a moment.

I would like to reassure him there is no decrease in the number of apprentices this year, there is a natural decrease in the number of people who were in the pipeline who are finishing their third or fourth years and also the trainees but the same number of apprentices are being taken on as in the last two years.

HON W T SCOTT:

That is encouraging, Thank you. I would have wanted to see a few more in fact.

HON DR R G VALARINO:

Sir, as far as the Financial Bill is concerned and against the present economic background covered both by the Hon the Chief Minister and the Hon the Financial and Development Secretary in their opening speeches, the draft estimates submitted by the three municipal departments for which I am responsible have been realistically assessed and expenditure both in the recurrent expenditure and capital projects in the Improvement and Development Fund has been reduced as far as possible without detracting from the present level of service

to the community. Needless to say there are no revenue raising measures with respect to the Electricity and Telephone Undertakings.

Sir, in dealing with my three departments hence the Appropriation Bill, and further to my comprehensive statement in answer to Question 128 of 1983 earlier in this meeting, I would like to refer to various items in the electricity Undertaking, as I said then, the work of the Steering Committee continues and although progress is being maintained, the final manning levels and other related conditions have not been finalised and consequently it has not been possible to present a definite figure as far as the Waterport Power Station wages are concerned. Token provision has been made under Subhead 6. In order to be able to implement this during the year, economies have been carried out in most of the votes with a wage element and it is envisaged that such savings will be reflected by reductions in the level of overtime worked hitherto, although, it must be appreciated that some overtime is necessary where a service has to be maintained continuously.

I would like at this point to state categorically that no panic measures have been taken as a result of the Committee of Enquiry, their recommendations have been followed and a Steering Committee has been set up which in time will lead to a full Works Council. The suggestion of privatisation by the Hon. Mr. Restano is ludicrous to say the least. But obviously his contribution has been politically motivated and there is nothing he can contribute constructively when faced with a sensible budget proposal. Furthermore, as regards a study of Tariff Structure, this is another recommendation (No. 30) of the Committee of Enquiry and as indicated by the Hon Financial Secretary this is indeed going to take place by Cooper-Lybrands.

To carry on with my department, Sir, the provision for fuel which is the single major item in the Department's Estimates has been reduced on the grounds that the bulk of the coming year's generation will be provided by Waterport which uses the heavier and cheaper type of fuel, and, additionally the estimate is based in the expectation that the cost of fuel will drop or at worse remain stable. Supplementary appropriation under this Head was required last year due to increases in fuel price and a higher percentage increase in generation than expected.

It will be obvious to everyone that the four skid generators at Sir Herbert Miles promenade have now been taken away, they, in fact, arrived in the United Kingdom last Saturday and I am happy to say that the whole operation from start to actual arrival in the UK has taken two weeks. The financial provision made under Special Expenditure includes a small element of hire, transportation and shipment plus the cost of restoring the promenade for recreational purposes. A reserve provision of \$67,000 has been included in Head 110 of the Improvement and Development Fund with regards to the foundation of No 9 Engine at King's Bastion. It was intended to rebuild this Engine in order to replace badly worn jointing which was the cause of numerous oil leaks. Once the engine

had been dismantled and its foundations thoroughly examined serious transverse cracks were found which necessitate that the foundation should be totally recast. However, as indicated by the Hon the Financial and Development Secretary, a project application for a third generating set for Waterport Power Station has been submitted to ODA. Thus, a decision on the future of Engine No. 9 will therefore depend on the outcome of the submission to ODA given that Engine No. 9 is over 20 years old and that the plan is to transfer all generation to Waterport in the long term. Sir, in dealing with my other department, the Telephone Department I am happy to say that the financial year 1982/83 proved to be a very exciting and busy year for the Department. Amongst the more important aspects of the Department's workload was the successful introduction of international direct dialling facilities for all telephone subscribers. The service was inaugurated by the Chief Minister on the 1st October, 1982, and opened up with facilities to 75 countries throughout the World. At the same time, local call metering was introduced with the rates divided into peak, standard and cheap to enable residential subscribers to effect economies on their telephone bills. A free call allowance of 120 units per quarter was also given. Rentals were decreased in January 1983 to coincide with the billing of local calls and the Department was therefore set to charge for usage at individual levels. A rental rebate was also introduced in January 1983 for telephones out of order for over 1 month. The Department was re-structured to meet new developments and there are now three PTO II Heads of Section. These sections are performing well and procedures are being rationalised. The three sections now cater for all technical aspects of the Department, i.e. the external plant, special services and main exchange. With regard to the external plant which employs 53 industrials this was responsible for the connection of 533 telephones, an increase of 12% over the previous years' performance. The section also replaced 6 main lead type cables and laid another four which are now ready for the change-over, thus leaving the 5 year cable replacement programme with only 7 small lead cables to replace in this last year of the programme by three larger polythene sheathed cables. In the meantime, new distribution boxes and cabinets were installed and the network therefore expanded to cater for expected growth. New heat shrink jointing techniques were introduced and these have proved to be both efficient and trouble free. Amongst the other responsibilities of the section, 194 telephones were moved from one address to another and 596 miscellaneous works, extensions etc were performed. This represents an increase of 17% over the previous year. Faults decreased at the rate of 13.3 less faults per month throughout the year i.e. a further decrease of about 54% overall for the year. In fact, if I do refer to the graph it can be seen that about two years ago the number of faults were as high as 1,000. These came down to about 650 in the beginning of 1982 and at present, in March of this year, the

total number of faults including cable faults and line faults are below 100, in fact, the number of cable faults are the lowest on record and are below 150, in fact there are nearly about 40 cable faults per day. This is a salutary picture but one must take into consideration the fact that Government has decided to implement a five-year replacement programme of the old lead type cables and this has resulted in a better service to the customers and less telephones out of order.

HON P J ISOLA:

Could I ask the Minister if the lack of rain during this last year has had anything to do with it?

HON DR R G VALRINO:

The Hon Gentleman talks about the lack of rain. It doesn't, really, because the new polythene type cables are impervious to rain and rats and the only way we could push that figure up would be not so much by rain on the line section but it would be by the exceedingly high winds that we experienced in Gibraltar that sometimes plays havoc with our line section but as far as the cables are concerned the rain would have made no difference even if we had rain this year. Now, to deal with special services which is a very hard working part of the Department. This section has worked very well and was responsible for the installation of five large stored programme controlled FAX'S/PFEX'S for the business community. Amongst these sophisticated FAX'S has now been adopted the latest British Telecomms digital switch CDSS which is shortly to be installed at a local bank. The section also connected several call accounting equipments for the derivation at subscribers premises of call detail recording. Amongst the larger Hotels equipped with these sophisticated machines were the Caleta Palace and Both Worlds. The Rock Hotel equipment is presently being installed and should be commissioned in the next few weeks. Ten new electronic coinboxes for Public and Renter use were installed in several places and calls to most countries are available direct. Thirty five bars, clubs and restaurants were also equipped with the latest British Telecomms portable coinbox also allowing for the direct dialling of international calls. Now to deal with the main exchange - The main exchange was extended by 5000 lines to cater for the replacement of obsolescent Strowger equipment and for the expansion of an extra 2000 lines with IDD facilities. A complete change to a 5 Digit dialling system was effected. The installation took some 18 months to complete. Numerous technical problems peculiar to Gibraltar were resolved by the exchange staff in close liaison with the manufacturers. The in-service date was also improved by three months from the original December 1982 date. This was achieved only through the hard work and dedication of the exchange staff. Now to deal with the Trunk Operators Switchboard. The operating staff's workload was reduced by approximately 50% on the introduction of IDD, but although the equipment for direct

dialling to Spain is available, the link has not yet been established.

The switchboard has also been restructured and there will shortly be a Supervisor available at the manual board to handle subscriber enquiries, complaints etc.

Other Departmental activity concerned the compilation of the new Telephone Directory which was issued in August 1982 and which contained all the information relating to charges, dialling codes etc. In fact, I have had praise from all and sundry on the new Telephone Directory and it is to the honour of Gibraltar that such a comprehensive Telephone Directory has been able to be produced for the benefit of not only the private community but for the benefit of all subscribers in Gibraltar.

The Department was also largely concerned with the computerisation of telephone accounts involving the complete identification of individual files and the change-over into computer format of Departmental forms and procedures.

Finally, Mr Speaker I am proud to say that the City Fire Brigade has continued to provide an excellent service to the community. In fact, the City Fire Brigade goes from strength to strength.

During 1982 the number of incidents attended reached an all time record of nearly 900 calls, one third of these were actual fires, this shows the public awareness of the Department to provide additional emergency services.

Their efficiency is more than well known and was demonstrated when they successfully tackled a factory ship fire at North Mole. The Fire Prevention Department has carried out over 2800 inspections, this figure added to annual increase in calls received, provide the City Fire Brigade with a challenge which they are happy and extremely able to tackle. All in all, Mr Speaker, this has been an extremely successful year in my 3 departments and I look forward with confidence to the next financial year as regards my Ministerial responsibilities. Thank you.

HON A J HAYNES:

Mr Speaker, perhaps the Hon Minister will be glad to know that the new Waterport Station is called 'Faulty Powers' in some circles, I think that says a lot for his Ministry. If I may turn, Mr Speaker, to the point made by the Hon Mr Perez in his argument for claiming that this was not an electoral budget and that had it been an electoral budget then we would not be asking for import duty reductions etc because they would already have introduced them. Sir, that in fact is a fair assessment and it would be fair comment in an economic society in which the private sector represented the vast majority of the electorate. In Gibraltar, Mr Speaker, as we all know, the public sector if anything is more powerful than the private sector so when you look to an electoral budget you look for maintenance of the status quo as regards the public sector and that is exactly what we have. We have an electioneering budget designed not to tackle or to meet any of the difficulties that lie ahead except one, that is, the re-introduction of the AACR Government. That brings me, Mr Speaker, to those problems that beset us. Obviously we have

two which stand out for their gravity. One is the Dockyard, Mr Speaker, we have had a lot of contributions dealing with this subject. I would like to make a few points, however. In the first instance we have the Members on the other side going through the motions of stating that they have provided leadership, I think leadership from behind if anything, Mr Speaker. We have had two years without any indication as to what is going to happen or what they are going to do and they claim that that is leadership, Mr Speaker, and it is precisely because there has been a vacuum of leadership that the Trade Unions have taken the fight up for themselves, they do not see anybody doing their fighting for them so they go off on their own. And if you want leadership, Mr Speaker, you have this vicious attack by the Chief Minister on the unions for their actions, page 5 of his statement, he says: "I am simply saying that I believe a strategy of industrial action at this stage is unwise". How mild can he get, Mr Speaker? Is that how he proposed to lead, is that how he proposed to...

MR SPEAKER:

I am going to call your attention now. We are speaking on the Finance Bill and I am not going to have any nonsense about it, we are not going to convert any matter that comes up in this House into a vote of confidence against any particular Member and I will call your attention and if you do insist in doing it I will ask you to discontinue your contribution. This is a debate on the Finance Bill, on the Second Reading, and it will be just that and nothing else. I will not countenance anything else, I have made myself very, very clear and I am going to stick to that ruling.

HON A J HAYNES:

I accept your ruling, Mr Speaker. My only concern is to outline the economic . . . . .

MR SPEAKER:

The Finance Bill is the responsibility of the Government collectively and not that of the Chief Minister. Will you please continue.

HON A J HAYNES:

Mr Speaker, we on our side of the House have now for at least a year, perhaps longer, advised and warned against the difficulties that will be compounded by industrial action in the Dockyard and, Mr Speaker, we have made this point strongly and clearly for some time and that, Mr Speaker, is what we believe to be leadership. We are concerned, Mr Speaker, that as regards the Dockyard there is no basis for us to suppose that an alternative economy is being provided for or planned for by this Government and that again, Mr Speaker, is a question of leadership, the leadership which the Government claims to be giving and yet is not apparent to anyone. Mr Speaker, in facing the Dockyard problem we require a campaign

to try and prevent the closure, a campaign on the scale and of the type that was mounted in the British Nationality issue, perhaps now it is too late. In this respect the main effort has come from my Hon Colleague, Major Peliza, leadership again, Mr Speaker, from this side of the House. Where is the Government's campaign to avert the closure? Mr Speaker, we all know that the alternative economic structure which has to be set up in Gibraltar to take in the slack of the Dockyard is an enhanced tourist centre. We need a tourist infrastructure to cater for large employment and, hopefully, a large number of tourists but instead, Mr Speaker, tourists in Gibraltar are becoming an endangered species and every year fewer and fewer return to Gibraltar. Mr Speaker, would it be out of order to say that the Minister perhaps is somewhat responsible for this?

MR SPEAKER:

I think you have been long enough a Member of the House to realise what is and what is not in order. I will most certainly put you right if you are not clear. When you are speaking about a particular department you are entitled to refer to the Head of that Department insofar as policy is concerned. You should be very clear-minded on that.

HON A J HAYNES:

Well, Mr Speaker, I believe that the Minister's efforts in the North of England has been unproductive, to put it mildly. Perhaps he enjoyed his trips, I am not sure, but it does seem that they have been given the chop Mr Speaker, from the Chief Minister's statement, at page 7: "Tourist advertising has been curtailed". I think the failure of the Minister has been recognised but instead of other efforts being made, Mr Speaker, tourism continues to be on the decline. And if one examines the kind of infrastructure that we require, we have already had my Friend Mr Loddio explain that we must advocate and promote the military side of Gibraltar, that is what we have as an attraction. We have a myriad of tunnels and galleries inside the Rock which are far more complex and far more dramatic than what is presently available which is only the St. George's Hall area. We require these tunnels to be made available to the Gibraltar Government, or part of them, we require them to be advertised, we require the military fortifications to be done up in military style and made open to the public to be part of an overall tourist attraction but we also need the infrastructure that goes with it. We need more help for hotels, you don't want hotels continuing to be in serious trouble. We require, for instance, on the side of liners, we require a proper facility for liners coming to Gibraltar. We require proper facilities for the hydrofoil coming to Gibraltar. I know, Mr Speaker, that we brought up the case of the stranded tourists, 69 stranded tourists in Gibraltar and no one to help them. That, Mr Speaker, was not good advertising for Gibraltar. We must begin to lay the foundations for tourist infrastructure, you cannot hope to do it overnight and you cannot hope to do it when the town is

being flooded with people. And again one of the basic pre-requisites is a clean city, Mr Speaker, it seems that that is slipping fast. Mr Speaker, though we on this side of the House like all Gibraltarians are worried at the prospect of the Dockyard closure, our worries are nevertheless compounded by Government's inability to provide an alternative or even the basis of an alternative. We are worried that we see no medium term policies, no long term policies, Mr Speaker. My argument is that this budget is designed to take us to March 31st, 1984, full stop. There is nothing there, Mr Speaker. And that brings us to the other major problem which again everybody pays lip service to and they mention but it must be discussed, Mr Speaker, it is at the moment taboo even to mention it, it is foreign policy, it is the question of the frontier, the primary obstacle for us to achieve economic independence. That is an accepted fact, so everybody seems to say. We require to list the restrictions in order to achieve economic independence but do we want economic independence? It does not seem that we are doing much to attain it, Mr Speaker. We need economic independence for both political stability and evolution and that is a precept which I hope will not be disputed. So what are we doing about it, Mr Speaker? I know that the established view is that this is a matter outside our control but I consider that the time has come for us to play some part in the shaping of our destiny and I think the time is ripe in order to achieve it. I am beginning to tire, Mr Speaker, of this softly, softly approach which allows all the parties in the issue to put off the confrontation that is required and allows the economic siege to continue to our detriment. When are we going to realise, Mr Speaker, that we require a bold approach? Mr Speaker, it seems fair to say that for the last twenty years we have kept quiet and accepted passively the failure of all diplomatic solutions and the continued restrictions. I do not blame the Chief Minister, I appreciate that this was perhaps the only policy open to us but not, Mr Speaker, the policy which is exclusively open to us today. Why is it that we have always accepted the failure of diplomatic solutions and simply, Mr Speaker, because whenever a door is closed, whenever a diplomatic talk comes to nothing a window is opened either the next day or a week later or whatever. There is always a ray of hope allowed to emerge. Why? Because they know that that might keep it quiet and it does and the next time there are diplomatic talks that ray of hope is crushed. It has been happening all the time and what is happening with the Lisbon Agreement, Mr Speaker? It is postponed, it is never declared dead and lost. And we are meant to just tag along. I know the Chief Minister must be as frustrated as I am but what I am saying is that if we accept that this is the correct analysis, what are we going to do about it? I do not believe that this policy of waiting and allowing things to take their course will achieve the lifting of the restrictions, at least not in a way that we can in any way say when, how and why. We are not in any way helping to shape our destiny. At the moment it seems that we are banking on the lifting of restrictions on Spain's entry into the European Community. That of itself is a nebulous and ever.

receding prospect and one which I am sure unless we have proper ground-work laid for it is not necessarily going to achieve the desired object that we have. So, Mr Speaker, it is important therefore to examine the issue from the Spanish Government side to see what is holding things up. And if one examines their perspective of the issue, one can understand how even if they believe that the restrictions are contrary to their interest i.e. their interests in terms of their better relations with England and with Europe, how nevertheless even though the restrictions are contrary to their interests, they are unable or at least unwilling to lift them. And why, Mr Speaker, the answer is quite simple. There is a custodian of those restrictions, that custodian is now nearly 30 years old. It is the monster of Spanish propaganda created since 1954 and there isn't a Spanish politician and there isn't a Spanish Government that dares tackle that monster of propaganda. That monster of propaganda, Mr Speaker, we have seen how powerful it is, we saw it only last week they whipped up a fury over an absurdity and who is this altruistic politician that is going to tackle this monster, commit political suicide and achieve the righting of a wrong. There isn't, Mr Speaker, I know the Chief Minister pinned his hopes on Felipe Gonzalez. We have discussed that before and I don't want to .....

HON CHIEF MINISTER:

If the Hon Member will give way. I would like to clear this matter, if I may. I do not put my trust on Felipe Gonzalez at all, I put my trust in the people of Gibraltar in the Government and in the British Government and Parliament. I did say, and this has already been said, at the time, that the opening of the border for humanitarian reasons was a step in the right direction, the direction went wrong later and that is another matter, but it would seem from the number of people that have used that facility that it certainly carries the support of quite a number of people in Gibraltar.

HON A J HAYNES:

Mr Speaker, I take the point and I do not wish in this debate or in this issue to stir up an inter-party dispute, it is too important for me at this stage and I should like to analyse. We all had hopes in Felipe Gonzalez but it hasn't worked out, Mr Speaker. As I understand it, however well intended the politician may be, he will be unable to tackle that propaganda monster which has been fed, and members here will know it better than I do, with lies and half truths which create the impression in all Spanish minds that Gibraltarians are undesirable. How are we going to oblige them to face this monster, Mr Speaker, when every time that a date for an opening comes near they realise what it would entail and they say: "Well, if we don't do it, what is the alternative?" And the alternative is that no one is going to hit them, nothing is going to happen to them, so what do they do, they take the easy solution. In those circumstances, if we want to plan our economy on the basis of any given set of circumstances which must include an open frontier, we must therefore if we are planning

on an open frontier we must play our part to have those restrictions lifted. We must therefore formulate a way, a method in which we can pose the Spanish Government with two alternatives, either they get a bloody nose from tackling the Spanish propaganda monster, or they get a bloody nose from international pressure or direct Foreign Office pressure or Gibraltar pressure and if then the prospect is that either way, either way they get a bloody nose, then they may well plump for that option which we require in order to achieve economic independence. They may well then in those circumstances open the frontier and lift the restrictions. Mr Speaker, at the moment with the restrictions as they are, we have three general choices. One is to accede to their request, the request of the Spanish Government, and that option has been rejected and it continues to be rejected so that one is not open for us. The next one, Mr Speaker, is to deal with the matter outside the ambit of the issue itself i.e. to horse barter, the proposition of my Gallant Friend, the Chief Minister has mentioned it often enough, the entry into the Common Market facilitated in exchange for lifting restrictions. Mr Speaker, I personally have little hope in that. In any event I think it is too distant to warrant much consideration of this kind. And, secondly, we have already seen it happen in the Treaty of Versailles related to Gibraltar in which the Spanish Government were given Florida and they still want Gibraltar. The third, Mr Speaker, is one which I advocate, the creating of pressure.

MR SPEAKER:

I have been very liberal with you but I think I have got to bring you down to earth again. You are talking about the Finance Bill.

HON A J HAYNES:

I beg your pardon, Mr Speaker. Mr Speaker, if I may explain what I am trying to do, I am trying to say that if we are entertaining a budget it must be with some idea in mind, long term, medium term or short term and one of the most important factors in designing a budget is whether you are budgeting for an open frontier or a closed frontier and are you bargaining for a short-term frontier or what. In order to understand if there is a policy or what the policy is of Government in this respect we must analyse the prospects of an open frontier.

MR SPEAKER:

No, no, with due respect, it is the Financial measures for 1983 that we are talking about and we have got to keep within those limits. I am saying this now after I have let you speak for about 20 minutes on the matter.

HON A J HAYNES:

Yes, Mr Speaker, but if one considers the Finance Bill itself we must ask ourselves is Government budgetting in any

manner for a short term opening of the frontier and are any of the contributions directed to this subject. And the answer, Mr Speaker, must be: "No, we are not budgetting for a short term opening of the frontier." And it seems that though perhaps the Government have hopes of a medium or long term opening, they are not budgetting for that either because in the same way that the alternative to the Dockyard must be a tourist structure far greater than what we have today, similarly the main catchment area for an open frontier as far as Government is concerned must be tourism. For those two reasons, the prospect of a closed dockyard and the prospect of an open frontier, we need to develop our tourist attractions and facilities and we must do it now before the matter is upon us. But as I say, Mr Speaker, the short term prospects were succinctly noted by the Chief Minister when he said: "The forecast points to rising unemployment, no real scope for revenue growth and belated development momentum. The stability of the Government finances and of the economy as a whole has to be safeguarded." Well, Mr Speaker, we cannot say no to that in the short term not unless somebody is going to do something in relation to the frontier or something in relation to the dockyard or something to encourage investment or something to inflate or prop up the hope and spirit of the Gibraltarians, Mr Speaker, and I think there is precious little in this budget that will achieve that. If the prospects in the short term are so grim, why have people on a tight leash. If the ship is coming to a storm you release them and let each one float and fight for themselves. You cannot have everybody herded together or they will all sink and that is exactly what in economic terms we have in Gibraltar today, Mr Speaker, we have the shackle of taxation, a very severe shackle, it doesn't allow you the flexibility to budget for yourself, you are being budgetted for. Instead of releasing the shackles and allowing the Gibraltarian individual some freedom when facing the prospects of a recession, instead of allowing that, Mr Speaker, we are all being herded together. That I don't think is a recipe for achieving our success at the end of a recession. On the contrary, it is going to deepen the recession, Mr Speaker. The Chief Minister said, and I would respectively suggest it is a lot of bunkum, Mr Speaker, that we have a clear choice either.....

MR SPEAKER:

No, no, no. We don't speak bunkum in this House because if we did it would be irrelevant and I would have called the Member's attention.

HON A J HAYNES:

Mr Speaker, we have a clear choice, either we build houses - I have never seen this Government build houses - we maintain and provide our power and water services, at what cost and with what frequency. We improve our schools and hence provide employment - at the moment we have got unemployment, Mr Speaker - or we boost personal income directly in order to

boost consumption on luxuries with as a community we cannot really afford and we can do without. Mr Speaker, that is not the purpose of reducing personal incomes directly. By reducing personal incomes directly you achieve greater employment, you achieve greater stability and yet, Mr Speaker, the Chief Minister considers that all that people want their money for is spending them on luxuries. But where are the policies of the Government which on releasing some of the taxation burdens open up schemes whereby they can attract the money back voluntarily in exchange for home ownership. This Government must be the Government with the most policies in the world, Mr Speaker. They don't do anything, Mr Speaker, but they advocate that they own all the licences to all the policies, Mr Speaker. Mr Speaker, and why aren't they giving people the flexibility they require, it is because it is election year, Mr Speaker, and they want to keep the public sector as happy as possible. That is a catchment area for electoral votes, Mr Speaker. So instead of in the face of this recession, Mr Speaker; re-structuring the public sector to the needs and the pocket of the Gibraltarian, what do they do, they don't re-structure Mr Speaker, they say: "I am sorry we are not doing anything in this budget, we will make a couple of changes, reduce import duties here and there". Not enough Mr Speaker, to help the private sector because whatever benefit some of the private sector may achieve from these import duties the fact is telephone have gone up, not in this budget of course, Mr Speaker, but we all know the telephones have gone up, rates have gone up and that, Mr Speaker, is enough to ensure that the private sector won't be able to keep its head above water. The private sector who are having such an easy time of it according to the Government when the Chief Minister said again: "What I mean, and Government has evidence to this effect, is that certain traders protected as they are could reduce profit margins, improve competitiveness and pay their bills on time and not expect Government to reduce duties". Well, Mr Speaker, big brother is watching over the businessman is he? We could say the same of Government and we do. They could run their departments with far less money and that, Mr Speaker, is what we advocate in budgetary terms. We advocate cuts in public sector spending, we advocate limited privatisation, we advocate increased efficiency in Government departments and as an example of this we would restructure the Public Works Department, the Housing Department and the Lands and Surveys into one composite group to try and give some coherence to what at present is an ungainly blob, Mr Speaker. Again, Mr Speaker, we advocate a drastic reduction in direct taxation as being the only way that we can meet a recession. And now, Mr Speaker, having considered the general ambit of the budget I turn to my own department, Housing and the Port. In Housing Mr Speaker, I think the Minister for Housing said it all, he said in relation to his department, there were three things two which are ours and one is his. This is how he summarised his year in Housing. He said: "We now have a housing list in which the top 50 are handed out on a quarterly basis, that's ours. We have a medical panel, that's his, and we have distribution by Committee that's ours, Mr Speaker, and that



really is our achievement. But, Mr Speaker, that is not all. When we look at this ghastly distribution of housing, when one reads back numbers of Hansard it keeps you awake at night. If we go back to question No 63 of 1981 in which I asked the Minister, then the Honourable Mr Zammit, for Government to publish a list of the first 100 applicants in the various units of housing, etc, etc. The answer, Mr Speaker, was no, and the Minister went on to say "It cannot be done and I am not prepared to waste taxpayers money. It was worked out in answer to a question asked some two years ago, before the Honourable Member joined this House, that it would entail something like seven typists to carry out an exercise that would not mean anything to anybody". Well, Mr Speaker, I then anxiously looked at the annual accounts expecting to see 14 new typists in the Housing Department and what happened, Mr Speaker, there are actually no more, it seems they can do it without them. Mr Speaker, I wouldn't like to go into this too much but I would make the point that they said it was impossible that they would require any number of things, anything except to do it, Mr Speaker. Suddenly somebody comes in and a miracle, it happens. That same Minister, Mr Speaker, finished his point of housing by saying: "We would like to build houses but you cannot build Varyl Begg. Is it time we had a new Minister who could come in and do Varyl Begg as well."

HON A J CANEPA:

You.

HON A J HAYNES:

I think so, Mr Speaker, I hope it will be because Varyl Begg was built under the leadership of the Honourable and Gallant Major Peliza. It does seem, Mr Speaker, as if this Government can drown in a tea cup, everything is impossible until somebody else comes and tries it, Mr Speaker, and the so-called or self titled frustrated Minister for Development is a confession which I would shudder before making, Mr Speaker. On that basis, Mr Speaker, I think it says it all. A frustrated development and an inept budget, Mr Speaker.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I will be guided by you on what I can speak or cannot speak about because I am a bit confused. We are talking about appropriation.

MR SPEAKER:

You can speak on the general principles of both the Finance Bill and the Appropriation Bill and of the departments you are responsible for.

HON MAJOR F J DELLIPIANI:

I think my Colleague the Hon Minister for Health and Housing has made it quite clear to this House that this Government has

not taken the opportunity of the last budget before the next election of making it into a soft budget so that we all get re-elected next year. It is quite clear because we have not lowered any of the taxes, of direct taxation, and in fact we have increased water, we have increased rents, so we cannot really say that we are talking popular budget measures. I am in fact known within our own Council of Ministers as a hawk and in fact I was opposed to the Government's measures in reducing the telephone charges because I believe that the sooner we can get rid of any borrowing that we have done and pay them, the better it is for the future of Gibraltar and by reducing the telephone charges all we were doing is passing on our debts to the future generation but they are softer than I am and when we went for the charges we put them as we thought was right for a trial basis and such against my wishes when the trial basis proved that some money was coming in they changed their mind. I would not have changed my mind, I am a hawk. I am a no-man and I believe that I am right in my attitude because not only are we extremely worried about the Dockyard closure and I am convinced, and I do not need any experts to tell me this, that the commercialisation of the Dockyard will not work. I am absolutely convinced of that. But I am now worried and I am glad that we have taken tougher measures, I am now worried about the possibility because the faceless mandarins in Whitehall are so susceptible to Spanish reactions that we might not have a base next year because of all the complaints from Spain. They might start listening to them and say: "Goodness me, next year Operation Springtrain must not be carried out because we might offend the Spaniards". Thank goodness Mrs Thatcher is there but we do not know if she is going to be there next year, I am praying that she will be, but if she isn't we might not have a base. The other thing that worries me is what when we get the notice on rates there is an item called brackish water. I remember in the old days it was all brackish water for our flushing system but now I have suddenly realised that it is salt water and we have not consulted with Mr Moran whether we could use his salt water and we might have to use fresh water and that will possibly be more expensive. I think what the Government is doing is trying to get a message across to the people of Gibraltar that we might become more cost conscious and I think it is doing this through some restrictions in overtime and other restrictions in different items in all the Heads where controllers and people who work within the department become conscious that some items are expensive, some items are desirable but not absolutely essential and that we must prepare ourselves for the future in case things get worse and there is every indication that things are getting worse. I remember that at the last meeting, Sir, I mentioned that we know the Spaniards and we know the British. The Hon Mr Bossano said: "and the Spaniards know us". Well, I do not think the Spaniards know us and I do not think we ourselves know ourselves that well because I will challenge anyone in this House who really thought that when that frontier was opened on the 15th there would be that undignified rush across the border. I challenge anyone to say that he would have predicted that. I would have predicted that

there would have been a gradual using of the frontier but not that mad and undignified rush so I do not think we know ourselves that well and certainly the Spaniards do not know us otherwise they would have done it years ago. I think what is important for this House to realise is that our economic future is bleak, that we have to take action now, that we must make Gibraltar attractive as a shopping centre, that at the moment we cannot make it that attractive because there are restrictions from the other side but we can make Gibraltar attractive as a shopping centre on certain specific items and this is what the Government has done. If there is a normal frontier opening then other things could be improved, other reductions could be made on other imports etc, etc. What is important for the people of Gibraltar to realise is that apart from the damage that the closure of the Dockyard will do to Gibraltar we ourselves are doing damage to our own, Spain is not doing it we are doing it ourselves. I can well understand people going to Spain to buy cheaper vegetables and cheaper bread, I can understand it, it is the most human and the most natural thing to do. If one is budget conscious one tries to use that money as sensibly as possible and one tries to find the most economical way of spending that money but what is ridiculous is that people go there to buy cheaper food and cheaper bread and cheaper this and then they spend what they have saved and more on entertainment. Everybody is going horse riding now, it is the popular thing, every week-end horse riding, skiing, skating, you name it they do it, things they have never done before in their lives. I remember in the days when the frontier was opened completely I used to go there once a year to La Almoraima, or the Corkwoods, and then it was a donkey or a mule.

I think people in Gibraltar have gone absolutely mad. I have heard people saying: "Well, I go to Spain only to dine" and they go every week but they never went not even once to dine in Gibraltar. I know people who probably went to dine twice a year and now they go every week. Surely at the end of the year that is more expensive than going twice a year so they have all gone mad. I know of quite a few people who do it very strictly, they go there, they do their purchases there and they come back quickly but most of them are cutting their own throats. I think that because Members opposite have not had the opportunity of being in Government, most of them are very new, and what they say I am sure is very sincere but they do not realise that Ministers when they submit their draft estimates for every particular department that they are responsible for they try to get as much money out of the coffers as possible. It makes life very easy to say: "I need £5,000,000 for this, I will ask for £6,000,000 and I will be cut down to £5,000,000", but the truth is that when we submit our own estimates we have to do some pruning because we have to balance our budget to be able to borrow money and it is quite tough on a Minister to be able to go back and say: "Look, I am sorry, I have not been able to achieve this, I wanted this but I did not get it". I do not say that I did not get it I say: "We decided that we would not get it", it is a collective decision, and this is what I am sure some Members opposite do

not realise, that we are all out to get as much money as possible for our own departments but when we are told we have to cut we have to cut and the way one has to cut is a judgement of the Minister helped by his Heads of Department as to where the cuts can be made which will cause the minimum damage to the service that each department has to provide. That is how the cuts are done. If I was told I had to cut £2m, for example, for my Education Department, the easiest way to do it was to get rid of teachers. If we have 292 teachers, well let us make it 200 but then it would cause unemployment, the ratio of teacher to pupil would go down which is pretty high in Gibraltar, it is one of the highest of all the UK authorities, so one has to measure where those cuts have to be done and this is what every Minister tries to do. Ministers do not like cutting their own votes, it is an unpopular thing to do, we know because we are cutting our own throats. If one has visions of being elected again one wants to be remembered as the Minister who give us this, the Minister who gave us that, not the Minister who cut this who cut that but one has to take some responsibility for one's Ministry and I stand for what I have to do. The Hon Member, Mr Loddo, has mentioned capitation; that it has gone down. Well, it has gone down, I admit it, but this does not mean that every year the capitation has to be the same because there is a lot of equipment which you only have to buy once every four or five or even ten years. It does not mean that capitation has to be spent like that because I know of some headmasters and headmistress who manage very well and do very wise buying and look after their equipment and look after their books and they manage extremely well. Other schools don't know how to manage their money and they mis-spend it. But just because the capitation does not look the same or more than last year it does not necessarily mean that things are getting worse because compared with the UK authorities, our comparison in capitation is very, very favourable and we are the little town and they are a big nation with oil wells, etc, etc. On the question of the prison, I think the Hon Mr Loddo mentioned the question of overtime in the prison, there is again a balance to be found. I agree with the policy that where there is too much overtime because it is required it might be possible to think in terms of employing more people because there is an unemployment situation but you have got to balance the act because though there might be a lot of overtime, when you employ somebody else there are a lot of hidden fringe benefits, pensions and employer's contribution which might be more than the overtime but I realise that there is a point. I am all in favour of cutting down on overtime where with that overtime which is saved we can employ more people at the same cost or less, I am all in favour. What I am not in favour is to employ more people to cover that overtime and then it becomes more expensive especially in a service like the prison where there is such fluctuation in prisoners, etc, etc, and who knows, in an ideal society we might find ourselves with thirteen prison wardens and only one prisoner.

HON W T SCOTT:

If the Hon Member will give way. The argument being proposed does not seem to be reflected year in year out in that particular Head, on prison, because the element of excessive overtime always appears.

HON MAJOR F J DELLIPIANI:

Yes, it might appear but it does not necessarily mean that it would be cheaper to have more prison officers. I will look into it, I am looking at it at the moment, in fact, because there is another problem involved now with the open frontier and that is that where before we knew when something happened that those people were in Gibraltar, if something happens now most of them are over in Spain and we might have to employ more prison officers with the condition that a number of them have to stay behind in Gibraltar. On the question of opportunities for our youth, I am really quite convinced that it is not a question of what the Government provides for training, the problem is really on the attitude of people in Gibraltar towards work. We are still trying to be selective, and it is a natural thing, towards what kind of work we want for ourselves and our children, we are still trying to be selective. It has not sunk on people that we are no longer in that position. I do not believe in training for training's sake when there is no object at the end. Of somebody told me now "There are fifty youngsters who want to train in the catering trade and they are willing to go and work in hotels", I would open up immediately, I could do it, I have tried it but youngsters are not interested in the hotel and catering trade, they are not interested because of the hours. They do not want to work on Saturdays and they do not want to work on Sundays even though they are paid for it, they want their free time and now with an open frontier they want it even less. People are still being choosy about jobs and because in many cases both parents are working and can afford it, they are giving their children fabulous pocket money and even buying them motor-cycles because you see them around town all day, day in and day out, they do not work but they have their motorbikes. It is not a question that we are not prepared to train people or prepared to help people, we are prepared to help people, of course we are, but all they are interested now is being Clerical Officers, Revenue Inspectors, Police Officers, Prison Wardens, no one wants to be a waiter, no one wants to be a head waiter, no one wants to be a chef, no one wants to be a road cleaner. We have old men aged 70 or 80 as lavatory attendants, a youngster would not be interested in doing that kind of work. We are still being choosy, we are in that situation that Great Britain was in the early 1950's when they had to recruit labour from the West Indies to run their underground because no one wanted to do it, to run their bus service, to run their National Health Service because no one wanted to do it. Gibraltar's attitude must change. I am prepared to introduce any kind of training scheme when I see that young people and their parents are saying: "Yes, it is hopeless, my son can no longer aim to do this kind of work, what is the alternative, help me out". I am quite willing to do it, any kind of scheme.

What I am not willing to do is to train people to go out of Gibraltar because we have to keep our youngsters in Gibraltar for the future. Because if we train people so that they can get out of Gibraltar then we are losing the objective, what we are fighting for. We are fighting so that we can get Gibraltarians to stay in Gibraltar not to overtrain all of them so that they all leave Gibraltar. Mr Speaker, in conclusion I will only reiterate that I think whether the Opposition believes it or not, I sincerely think this is not a pre-election budget. It is a budget which will prove unpopular and maybe because it is an unpopular budget because we had introduced a certain element of increases, if the Opposition get into Government it might help them at next year in having a healthier economy.

HON W T SCOTT:

Before the Honourable Member finishes if he will give way because I didn't want to interrupt his flow.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I am always willing to give way to the Honourable Mr Scott.

HON W T SCOTT:

I am very grateful. I didn't want to interrupt him a second time but am I not right in saying that surely it is an initiative of Government to educate the people it represents, and, secondly, I think in unemployment we are looking at the very latest situation with the young, Mr Speaker, the young who have never had a job and who have left school is very different to a family man that in circumstances finds himself unemployed.

MR SPEAKER:

been  
With due respect, I think the answer you have given is a simple one. Government is prepared to educate the youth in Gibraltar provided they are prepared to learn trades which are needed in Gibraltar. I think he did say that. We must not debate the particular issue itself but if you want clarification by all means do so.

HON W T SCOTT:

No, Mr Speaker, only that comment that in fact the young might feel rejected by society and that is the big problem.

THE HOUSE RECESSED AT 12.50pm.

THE HOUSE RESUMED AT 3.25pm.

HON MAJOR R J FELIZA:

Mr Speaker, Budget time is never a very pleasant occasion and

I think after lunch is perhaps the most unpleasant occasion of the lot. I think I might help myself with my digestion and perhaps members on the opposite side if I were to bring a little bit of exercise of the mind into this very important question which is the Budget which in fact is what tells us the way the Government has gone for the past 12 months and should tell us the way the Government intends to go in the next 12 months but judging from what we have seen, the performance of the Government during the last year, and what they tell us they think the Government does not know whether it is coming or going, Mr Speaker, and if they don't know where they are going or coming how can anybody else, Mr Speaker, make a good assessment and proper judgement of what the policy of the Government is. Mr Speaker, when one looks at what has happened recently, when one sees that perhaps the opening of the frontier was one of the most important issues of the last year, and we hear and we see contradictions going on all the time, we have, for instance, Mr Speaker, the Chief Minister standing up and saying this is a great occasion, a great triumph, then suddenly people who go over are 'pansistas' and so on, and then we find that we have the media here which the Government is subsidising to the tune of £2m almost telling people to go across and buy things on the other side of the frontier, we have the Minister responsible for the toilets in our beaches closing them because he thinks that everybody is going to go over and almost encouraging them to go over; do they really know what they want, Mr Speaker, I have my doubts. This is a typical example, Mr Speaker, of the contradictions of this Government. We hear, for instance, Mr Speaker, that tourism is at its lowest ebb and we find the Chief Minister as a great gesture saying they are cutting down the advertising of tourism in Gibraltar. What is the policy of the Government, have they a policy? What has happened now suddenly, Mr Speaker, because what was coming from the sky or from where it was coming, from heaven, has suddenly decreased and what was retained here is going out and the future augurs not too well for Gibraltar, they find that they have to do something about it but they never had a plan before and I don't think they have a plan today as to what they are going to do from what one can see. And believe me, Mr Speaker, the situation is very serious, very serious indeed and I feel that because it is very serious I should highlight not with my own words but from the words of the Government itself how serious the situation is. Mr Speaker, if one looks at the statement of the Financial Secretary, page 7, paragraph 18, to me this is the most important statement made by the Financial Secretary that I have heard in this House since I have been here since 1969. He says: "The balance on visible trade 1982 shows a deficit of £45m compared with £40m in 1981. It is difficult to estimate whether in balance of payment terms this visible trade gap was more than matched by Gibraltar's invisible earnings. In other years I have declared confidently that our invisible earnings notably expenditure generated by defence, tourism the port and capital aid, have left us in a modest surplus position. I do not have the precise answer for 1982 but for the first time I consider it to have been very close either way". That means, Mr Speaker, that we are very much on the

brink because if Gibraltar doesn't earn enough money from outside we are going to feel the pinch very quickly. We are not a big nation where we can rely on credit from other nations we haven't got the resources. I will quote the Chief Minister page 6, paragraph 15. He says: "The general economic outlook is gloomy, severely compounding with the recessionary pressures which afflict the economy. Our reserves are projected to fall from £11.7m at the beginning of the financial year to just under £8m by the end", and remember that out of these £8, £4m, if I remember it rightly are being owed and are not being collected. I would have thought, Mr Speaker, that straightaway because the reserves are going down, because the picture is gloomy for the future and because we have £4m of which we do not know how much we are going to collect, I would have thought that in the same statement or somewhere along the line, someone would have mentioned how we were going to get those £4m. Not a word, not a word, Mr Speaker. I could carry on quoting from the statements, Mr Speaker, but I do not think that perhaps it is worth it. Every member has got it and perhaps I will refer to them now and again just to prove points. I think the House realises how serious the situation really is. And now we find that in the beginning of the statement of the Chief Minister, just to see what sort of theme he has for this year. He says at page 1, para 3: "This time last year I said that the theme of the budget for that year was to be cautious, prudent and consolidation in the face of the many uncertainties facing Gibraltar". And because he was cautious, prudent and things were uncertain, we have seen where we have arrived at. It was a year for action, it was a year for boldness, it was a year for initiative and determination but no, you can see the attitude. But we have certain certainties, Mr Speaker, which should have been tackled. One certainly was tourism, this is our own business. Port is another one which is ours. What was done in that respect? What was done for the industries which are ours and which we control and which we can develop if we put our heart and mind to it, what was done for that? Nothing, Mr Speaker. And what have we had in this respect this year for that, Mr Speaker, nothing. We looked at all the terrible things that are going to happen about the dockyard, and I agree. I think that again, Mr Speaker, it is worth pointing out how serious the situation of the Dockyard is and again I think, Mr Speaker, I am going to quote from the statement of the Financial Secretary because I think this is very important Mr Speaker. Page 11, paragraph 28, under the heading "General". He says: "Today I cannot hide my deep concern on the facts available for the economic stability of the territory as the closure of the naval dockyard approaches and the proper effects on the discriminatory frontier opening effectively prevents the development of opportunity for diversification and new revenue growth". And further down, Mr Speaker, he says: "The likely impact of the dockyard closure represents the most serious economic and social problem for everyone in Gibraltar". The Chief Minister, too, is well aware of that and he dedicates quite a lot of his statement to the closure of the dockyard. I know the difficulties that the Government and the Chief Minister have on this

question. I am not having a go at the Government in this respect. I do realise, as the Chief Minister quite rightly says, that he has to find out the outcome of the study that is going on is going to be. I agree with him that it would be taken as irresponsible by Her Majesty's Government if the Government were to throw it out just like that, we would have no case to put forward in England. But at the same time he said and quite rightly that he opposes the closure of the dockyard and I think we all know, our gut feeling tells us that it is going to be very difficult to replace. The Financial Secretary said in his report, I am not going to quote it, but he says it. And, Mr Speaker, if we know in our hearts of hearts that it is almost impossible that that can be replaced viably by commercialisation since one hasn't got to be an expert on the matter to read the newspapers and find out that ship building is a dead industry in Europe, most of the ship building is being done in the Far East, and that the ship builders have resorted to repair work and that repair work itself is not viable, that most of the yards in Holland, Belgium which are very big ports, Antwerp and Rotterdam, they too are being heavily subsidised by the Government of those nations because they just cannot operate. In England we all know what the situation is, every day we read about it in the newspapers. How can we, being reasonable persons, believe that we who have never tackled that kind of business here are going to do better than all those experts who have long connections for many years doing that kind of work. I really cannot understand how people in the United Kingdom in those Ministries are so blind to the situation, I just cannot understand it, it just doesn't make sense. Therefore, Mr Speaker, since the situation is one of, as far as the Gibraltar Government is concerned, and I agree with them, is wait and see and see what we can do, at the same time I think we must get ready for the survival of Gibraltar and the only way to do this in my view is to start getting ready leaflets, information and all sorts of things, to be able to put our case to the members of Parliament in the United Kingdom if we fail to succeed with the Ministers, I have no doubt that this House is totally united on that and the Government need not fear at all that we shall all do our best to make sure that somehow we can preserve if not the dockyard as it is today, something that will give us the economic wherewithal to keep Gibraltar going. I cannot but urge the Government to act as quickly as possible together with all the other parties and all the other bodies interested in Gibraltar, in producing some kind of plan to combat successfully the situation that has unfortunately been presented to us because of the Defence policy. One has to accept that if the Defence policy in the United Kingdom has changed it is obvious that as far as the Ministry of Defence is concerned they have got to adjust their support to the new naval situation, one has to understand that as well, but I think that it is only fair that they should understand our position as well since Gibraltar has given them very good and loyal service for many years and will continue to do so whatever happens. I think we have got to start from that basis. We are part of the same family and we are going to stay together come what may. We shall remain British and in the same family and there will be no resentment because that is not

the way that we should proceed. Equally, I think that unfortunately, in my view, the Unions in Gibraltar are mistaken in the way that they are acting. It is not a question of being anti-British or not being British, no. I can understand that this is a straightforward industrial dispute and one should in no way try and suggest that because they are striking they are less British than those who are not, that is not the case.

HON CHIEF MINISTER

If the Honourable Member will give way. At what stage has anybody accused the Unions of being anti-British in the way in which they are acting?

HON MAJOR R J PELIZA:

I think that perhaps one Member of Parliament gave that impression in Gibraltar.

MR SPEAKER:

Not one member of this House.

HON CHIEF MINISTER:

It was being quoted to me yesterday that you were alleging that I had said that what these Unions were doing was anti-British.

HON MAJOR R J PELIZA:

I don't know who quoted because what I speak outside the House, if he wants me to make an analysis which I deliberately do not want to make in this House, I can do that, yes. If he looks at his statement he will see that he drew attention to a number of - I haven't got the statement here but if the Chief Minister could let me have the statement if he has it there, he does mention the question of British and there could be an association of using the word "British" in that statement with the action of the Unions, that is what I said. If that is so I will now refer to it. "The Royal Navy has been associated with Gibraltar for 280 years, it is the very symbol of our Britishness. To take action against the Royal Navy Exercise as proposed will have the following consequences. It will raise the question in people's minds in the United Kingdom whether we really want to be British and we say we do". What do you think, Mr Chief Minister, of that? How can that be interpreted, Mr Speaker, outside this House and particularly in Britain where there is nobody to explain what is meant by that. It will cause serious dismay to our friends in Britain, the British public, the British press and above all our friends in Parliament. Mr Speaker, I can assure you that this if picked up by those who are not our friends will give a colour of anti-Britishness to the action of the Union. Luckily, Mr Speaker, that has not been so.

If one looks at the letter in The Guardian who is not our best of friends, the Editorial, Mr Speaker, said: "Doubts about the enclave's Britishness will have been dispelled for some by the classic dock strike on arrival of the Naval formation. To call it a flotilla seems wrong now that a frigate can do more damage than a battleship of yore. The process was against the British decision to close the local Naval Dockyard to save money and took the form of blacking the ships except in emergency. The shut down as a protest against the impending closure is familiar paradox to do it when one of the few sources of occasional future work, passing naval vessels are in port transcends the merely illogical as the apologetic letter to the ships from the strikers leader implicitly recognised but is undeniably British". So this is the way they took it, luckily, but it could have been taken the other way. I didn't want to bring it up, really, I may have personal views but one thing is to have personal views which one can express in private and another thing is what one expresses publicly, one has to tone it. The last thing I want to do in this debate is to do any damage to the Chief Minister in this respect but unfortunately he has brought it up and I think it is very out of place to do that now and what I am saying is that it has nothing to do with Britishness, it is a straightforward industrial dispute done, as the paper said, in the best of British ways and not to be interpreted as being anti-British which the Chief Minister thought it might. From the point of view of the press that has not had that undesirable effect but having said that I do not think it is good for us, it is certainly not good for the members of Parliament because, as I said, some of them have taken it the wrong way, unjustifiably so, but they have and also, and this is in the general sense, a strike is a dirty word in England today and I do not believe that it has in any way helped the cause, it could in fact, in my view, be counterproductive. I do sincerely hope, Mr Speaker, that in this respect the Unions can join the political forces of Gibraltar in a political way to try and avoid the closure. I think this is an instance where skill rather than strength is required and it is political skill that is required and I think we have proved time and again that Gibraltar has the political skills to overcome difficulties of this nature. The Chief Minister has said and has reiterated in his statement that he will consult all parties once the decision on the dockyard is given and others that is an excellent idea and it should be done. But in my view there is some information that the Government should acquire as soon as possible and should acquire it directly. I have written to the Board of Trade in England asking for information on the position of the neighbouring repair yards, I have not had a reply. They should be able to give that information directly. I am sure that the British Embassy in Madrid should be able to provide accurate intelligence on that I think the Government should inform itself of what the position is. From what I hear from Spanish radio and television they are in an extremely poor state, unemployment is rife, in Vigo there was a general strike the other day because there they had little

work for their own yards, in Cadiz I believe that there they are going to be nationalised, all the ancillary businesses connected with that, factories and so on, are being closed. Altogether 5,500 are going out of jobs and eventually I believe they are going to retain about 1,500. This is what I gather from television. I think the Government should find it possible to find out exactly what the position is there, in Lisbon and in any other neighbouring repair yard and also what sort of income the workers get and also what kind of subsidies they get as well. All those things, in my view, the Government should obtain directly and not through any consultants or any other persons but directly from Her Majesty's Government so that Her Majesty's Government is committed to those figures. Because if at the end of the day this is not so, we shall be blamed for not having had the right information. I have had opportunity of speaking to people who know about this, that the wages apparently in England are 30% less than those in Holland and therefore some people say that Holland and Belgium are not doing so well because their wages are high but what about Britain, they are not doing so well and their wages are lower, and what about Spain which is even lower than Britain and they are not doing so well. So that argument, in my view, does not hold and even if they say that perhaps the neighbouring yard is not competent, what about those which are competent and who are near big ports where usually repairs are carried out? When a ship is near one of the big ports, like Rotterdam, this is when they take the opportunity for carrying out repairs or changes and so on. Mr Speaker, I think that the Government should try and get that information and equally they should make an assessment and get Her Majesty's Government to make an assessment as to what extent the Spanish Government is directly going to sponsor and subsidise competition against Gibraltar because we cannot expect that a Government which has kept the frontier closed for so many years, which today is doing its best to bleed Gibraltar dry by one-way traffic, is going to allow us to do well with a commercial dockyard. I believe, my instinct tells me, that they will obviously try and torpedo that operation as quickly as possible and I think we should have some guarantee from the British Government that they would by every means protect Gibraltar from any such deliberate interference with the progress of our commercial repair yard if it ever comes to that. There is even one greater aspect and this is that in that kind of business you have the ups and the downs and if you look around that is happening all the time. In bigger places like Britain and so on, these downs can be absorbed by shedding labour, finding some other employment and the income of the nation is still there all the time but in Gibraltar if we have a long down as the one that is now taking place, what happens in say, five years with a closed dockyard who can support the thousand workers if we are successful or 300 workers if we are completely lost. Mr Speaker my common sense tells me that it is a non-starter. The Government should try and get this information directly from sources that are reliable and use it for the arguments that I have no doubt, in my mind we shall have to use. We mustn't leave it for too late, we have got to start working on that straight away. Mr Speaker, we have one of the pillars of our economy, which is

the dockyard in great jeopardy and almost about to become extinct. Then we have the other one, Mr Speaker, and this is the one that I am responsible for and on which I am going to be as constructive as possible. I think I have been constructive on the dockyard but I am going to be as constructive as possible on this one as well. The best way to tackle the situation is again, since the Minister for Tourism has not spoken yet, which is a great pity, Mr Speaker, because I think the Minister responsible for the Department should stand up and explain what has happened in last year and explain what they are going to do in the coming year and then the Opposition would be in a position to either support, criticise or object to what they are going to do. But as it is as in everything else in Gibraltar so far, Mr Speaker, it is the Opposition that has to take the lead. We are leading the Government, we are leading Gibraltar except, perhaps, where the Unions are concerned, Mr Speaker. One looks at the state of the Electricity Department, Mr Speaker, to which I will come in a moment, and we hear the Minister say that his department has done extremely well and he is happy, perhaps the bigger the lie the more people believe it, I suppose, that must be his philosophy because no one can say that electricity has been a successful department, Mr Speaker. In fact one wonders, Mr Speaker, what is going to happen. We hear about the Preece, Rider and Cardew Report. Then we have the Committee of Enquiry, then we have the Steering Committee, now we have the whatever it is that is going to look into the rates, the Chartered Accountants, and now we are talking of a Works Council. Who is running, Mr Speaker, who is going to run the Electricity Department, Mr Speaker? I don't know, I don't think the Minister knows, I don't think the Minister knows who is running it today and I would have thought, Mr Speaker, that it might be in the interests of all concerned if the Electricity Department was handed over to the Unions and let them run the place. I think they would probably make a better job because then they would be responsible for it and if they carry on like that they should run the Government, Mr Speaker. And why has this happened Mr Speaker, why? Because the Government has not been governing, it hasn't been governing. The same party which has been in Government, because the party has been in Government all the time, has only been interested in being the Government and there is a great difference between being in Government and governing and I don't think the Government has ever been interested in governing because in governing one has to do unpopular things and when one does unpopular things Mr Speaker, one does not get the votes at the end of the day. If the idea is just to be there because one can get some satisfaction in being there then, Mr Speaker, the consequences have got to be paid for and we are now paying for that, that is what we are paying for, for lack of good government in Gibraltar. The typical example is the Electricity Department because this could not be hidden, the lights went out, Mr Speaker, and everybody got to know about it and this was inevitable, the publicity was there, whether the newspaper or the media gave it, it did not matter, the bulbs themselves told the people what was going on in that department, Mr Speaker. Again we see immediately mismanagement,

misjudgement, Mr Speaker, misjudgement as to the requirements for Gibraltar. I remember when I brought the matter up they said there was no need for anything then suddenly 5 megawatts, now it is 10 megawatts and now they are thinking of having another engine so from not requiring anything at all, I think it was in 1980, now they require three times the amount. Where is the planning, Mr Speaker, where is the policy? Where are we going? This is why I said at the beginning the Government doesn't know whether they are coming or going, that is the true situation. When there should be action, they are adamant for inaction. Tourism is the example and I am coming back to that, Mr Speaker. Let us look at tourism. The best way, because that is the only guidance I have, is to go by the statement made by the Honourable Financial and Development Secretary. I will quote from page 8 of his statement: "1982 is once again a bad year for the tourist industry, I said last year that given the recessionary outlook for the United Kingdom economy, our main tourist market, any significant improvement in tourist prospects for 1982 necessarily brings on the opportunity flowing from an open frontier situation". First let me remind the House that the number of people leaving England on tourism has increased by £2m since 1981. So, Mr Speaker, we obviously are not getting anything out of that extra traffic leaving Britain. But if this had been the first time this has happened one would have thought, well, we have to do something about it, but this is not so, the statement says it. It is not just the first time, once more, and, Mr Speaker, it is rather interesting because the statement says it necessarily hinged on the opportunities flowing from an open frontier situation. So it was not only the Chief Minister who was taken for a ride but I think also the Minister for Tourism who thought that with an open frontier all was well. Notwithstanding that I have been saying in this House for the past 10 years that whatever we do, the same as the Minister for Development believes, and quite rightly, that we should have our electricity supply and our water supply independent from anything to do on the other side of the border, I think we have to accept that in the circumstances now and in the foreseeable future that equally our tourist industry must be geared to an island resort and nothing to do with the Spanish frontier and, of course, anything that comes from the Spanish frontier all the better. One can see that they were geared for that. Was there any question of paring the cheese, as you say, for getting the place ready for an open frontier? Not at all. We have spent thousands of pounds in painting the streets for the Spanish traffic or whatever traffic was going to come into Gibraltar. We spend a lot of money in parking spaces but we have never been so bold with tourism, have we, notwithstanding it is the most important industry in Gibraltar after the dockyard and for which we are entirely responsible. We cannot blame anybody else for this not functioning properly, we can only blame ourselves. But we don't invest in that one, we don't. In fact we invest more in the Philatelic Bureau, proportionally, than we do on tourism. We must remember that the gains coming from tourism in Gibraltar is in the region of £11m. That money is coming into Gibraltar and on which there is a lot of employment, much more employment than the Philatelic Bureau. There is income

tax paid by those people which is going into the revenue, all the traders in Gibraltar who deal with that, income tax from the shops and also from the work people who work in the shops, the taxi drivers, and also the duty from the purchases that tourists make in Gibraltar, all that is involved in that.

HON H J ZAMMITT:

£11m is what the tourist industry generates not that Government makes £11m. Out of that probably Government may make a direct collection of £800,000 out of those £11m.

HON MAJOR R J PELIZA:

Well, all I can tell you is that one company involved very much in tourism basically, I have been told pays in income tax £1.25m into the coffers and this including all their employees. That I have been told by a Director of that company. If that is so you can see how much of that money is going into the Government. I don't criticise them for it because the more business they do the better it is for Gibraltar. To me business is not a dirty word but you can see the mentality of the Minister himself. He says if it is only £11m and the Government is not getting anything out of that it is not important, but it is important. He does not appreciate the value of that. He hasn't said so in so many words but this is what was implied because he went out of his way to explain that it wasn't £11m that was going into the Government. I knew that, of course. If £11m was going into the Government out of that I could have assumed that at least £50m was coming into Gibraltar. I know that. It is not new. I have said it here before. I have said, forget about the money that comes directly into the Government, it is the economic activity that is generated in Gibraltar that is important as one of the industries of our economic base. The Minister for Development has hardly said a word about tourism. I just don't understand it because this is ours and this we can make a go of if we have the imagination, determination and the know how and I think the Government lacks all three of them. Let us look at the Advisory Board which is set up to try and encourage everybody to infuse enthusiasm into everybody connected with the trade. How many times has that Board met? I was told that it hasn't met since August. Since August it hasn't met. Is it surprising that this quarter hotel occupancy has been down by 50% on last year? I would be going round in circles if I were the Minister to make sure what we can do to bring more people to Gibraltar. Instead the answer is that the Chief Minister says we are cutting down on advertising for tourism. Another indicator on the priority that the Government gives to the second most important industry in Gibraltar. And if that is the attitude of the Government then you can see why the poor people connected with the tourist trade are in desperation and two hotels are up for sale. If they go it means that we still have fewer beds and less and less people are going to come.

HON J A CANEPA:

If the Hon Member will give way. He is quite incorrect. Both Worlds, if it is sold, there cannot be a change of use. The only way in which it can be sold is for it to continue in the tourist orientated complex that it is.

HON MAJOR R J PELIZA:

What he doesn't know is that who is going to stop whoever buys it or even the management today of closing it down, unless the Government is prepared to take it. If you want to sell the hotel it is because you are not doing so well and if the situation gets worse there is only one alternative. Both Worlds cannot put up the taxes as the Government does. When they find that the electricity works is not behaving as it should that people are being paid wages that obviously have got to be somehow paid for, all they do is put up the tariffs and everybody has to pay or if they do not put up the tariffs, as they have done in this pre-election budget, what they do is they get it subsidised from the reserve funds or whatever and of course no one notices it because no one is going to shout if all you do is that you transfer over £½m from the Consolidated Fund in support of the Undertaking, no one is going to notice that, but the individuals are still paying. They are not paying directly for what is being charged for light but of course they are paying through the very high income tax that is paid in Gibraltar. I would remind the House, Mr Speaker, that the difference between Gibraltar and Britain now is colossal, it is really colossal. It is £850 in Gibraltar and for a married person in England it is £2,795. Yes, it is £2,795 the married allowance of some one in England and we start paying at £850. Can you say that what we give in social services and in other respects is comparable to what we have to pay here and they have to pay in Britain. I challenge anyone to say that. Remember that the British Budget also carries a very high expenditure on defence which we haven't got and I accept one thing, that because we are a small territory there are a lot of things that go against those, we have overheads that perhaps add proportionately more to the expense than it would do in England but I believe that the difference is so great that that in itself is a clear indicator of the bad administration of our resources in Gibraltar and how much we are overtaxed in Gibraltar through bad administration which means that people are not getting value for money, that is what it means. For this, Mr Speaker, the Government is to blame and nobody else. They are to blame. Particularly the party which has been in power for so many years. The last time that an increase was made in the allowance was in 1981. We had nothing in 1982 and we have nothing again in 1983. Of course the lower income people are the ones that suffer most. The Hon Mr Canepa says that it is not a pre-election budget but of course it is a pre-election budget and they haven't done it because they cannot, because the Government is not at a dead end. They haven't got any money and they cannot. And the little that they have they are unable to collect, they are even bad at collecting money. Mr Speaker, I have heard one businessman who said it was most



unfair that so and so was not paying and he had to pay. And what does the Government do about it nothing. If they went to town and they did it of course those people perhaps literally would have to close down. And what do we hear from the Government, that the trade is profiteering, I don't think it is fair to talk that way about the trade in Gibraltar. The Minister for Development referred to profiteering in the sale of computers games. I don't know how much he knows about computer games but it so happens that I went to an exhibition in England recently and there are two types or more than two types of computer games, one which is very cheap and break very quickly and literally you have to throw away, and the other one which is better and larger and of course you pay more for it. I don't know whether the Minister knows what type he was referring to.

HON A J CANEPA:

Mr Speaker, the kind I was referring to are the ones that were £7.50 and the same one became £12.50. Those are the kinds I am referring to.

HON MAJOR R J PELIZA:

I don't know whether he can tell which is the same one because I myself cannot tell. I am going to produce a pen and I would like him to say whether it is a cheap one or an expensive one because there are more than one kind. Mr Speaker, you can get a Parker, a real Parker pen, and one which looks like a Parker pen, and you pay £1 or 50p for one and you pay £11 for the other and you cannot tell the difference until of course you find out after a few days that you were sold a dud and that happens every day in Oxford Street in London if the Minister cares to go. And of course the Minister has gone plenty of times to Oxford Street recently, Mr Speaker, and I am beginning to wonder who is longest in Britain now, myself or the Minister. And let me say on this, Mr Speaker, that is a good thing that he is there because he is just following what I preached here on numerous occasions, the importance of being at the counter of the shop if Gibraltar wants to sell in England but I will come to that in a moment. Mr Speaker, for tourism we rely to a large extent on the United Kingdom. Some come from Tangier and perhaps, en passant, I should mention Tangier, I am told that because of the open frontier the load of the plane to Tangier has come down very considerably and I think the Government should give some thought to do away with the departure tax on that plane because otherwise we may find ourselves without a Tangier air link. The Government has got the means and ways of testing that, finding out if what I am saying is true or not true. I am told that if this were to be done not only would it enable the plane to stay but there is a great probability that it would generate more traffic between Gibraltar and Tangier. I think the Minister should give careful thought to that. If he has not been approached, well, perhaps if he knocked at the doors as I do whenever I come here, he would have got to know. I make it a point of doing

my rounds. I think the Minister perhaps might like to do the same thing. The same as he goes to England and knocks, I imagine, at the doors of the operators, it might be a good idea if he came here and knocked at the doors of those who have got to deliver the goods at this end of the market. Of course that is no substitute for the Advisory Board where, by the way, I would suggest that the Conservationist Society should be represented there and in fact one of those members should also be in the Museum Committee because I don't know if the Minister has seen this wonderful pamphlet called "Save" which has been produced and paid for by the Save Britain Heritage in England. It has been produced at no cost to Gibraltar having come here by the initiative of those in Gibraltar who are working so hard to preserve our heritage having come here and having looked round and having seen what we have, of which a lot is tremendous historical value, they have gone out of their way without asking for a penny from the Gibraltar Government to print this very interesting leaflet. I think the least the Government should do is to open the doors to them, let them be represented in the Museum Committee and let them be in the Advisory Board so that when we are marketing Gibraltar, we market something which is ours and nobody else's. Of course we need the sun and the sea but I think there will be people in Britain, particularly those who are connected in one way or another with Gibraltar through the Services and so on, who might be tempted to come over and stay with us for a week or so to appreciate this and of course at the same time we must have guides and people in Gibraltar who would be prepared to take people around and so on but of course this is all part of the product of which I am coming to in a moment. Mr Speaker, we have to first of all try and see what we can do with regard to people coming from Britain and Tangier, then we have sea cruises, yachts come over and the pedestrians from the land frontier. I think the land frontier for the time being is not going to be very profitable but I would commend to the Minister to floodlight the North Face of the Rock. As soon as the frontier was opened particularly he who had so much faith in it, I think I would have put the lights on there immediately. I suppose they are still there unless they have been scrapped. That was a great advertisement for Gibraltar seen all over the Southern part of Spain, from Marbella to Algeciras and even up the hills of Algeciras, and I would suggest that this should go on as quickly as possible because even if the people who come in only drink a coca cola or something like that, at least it is a coca cola and that is better than nothing so I would suggest that we should give some prominence by floodlighting the North Face of the Rock. The number of visitors from UK is worse than ever. We have the figures from the Financial Secretary. Arrivals in 1982 was 24,537 and that is the worst year ever. Mr Speaker, luckily, they stayed here a little longer than previously so the hotel occupancy has gone up slightly on that score but hotel occupancy in 1981 was down to 36.2%. That is a very low figure, Mr Speaker, and we find that the prospects of doing much better are not all that good because of the load factor which I think again was mentioned by the Honourable Financial Secretary. A problem that has not been made any easier by the outcome of the CAA but we are blaming again an authority over which we have no control but

we do not blame ourselves for not doing what I have always said we should have done for a long time, that is, we should have a national airline, not necessarily owned by the Government but in which the Government would have shares and would have a measure of control so that the object of the airline is not entirely to benefit itself but its primary objective must be to bring tourists to Gibraltar and as well as tourists to give the opportunity for Gibraltarians in Britain and Gibraltarians in Gibraltar and others who have families also to be able to move from here and there. At the moment the airlines, quite rightly, you cannot blame them, are there to make as much money as possible out of the route and we all know it is a very tricky business and we have seen it by the performance of past airlines and what has happened to them. For all we know even Air Europe if they had been given the route they might have collapsed after a little while because their intention is to make money. We all know that perhaps Air Europe had perhaps a chance of doing better because they are connected with one of the great tourist operators in Britain of which I shall have more to say at a moment, and that might have helped but that does not necessarily mean that it would have been a success. Therefore if we want to make sure that it is going to be successful the Government must participate. It is our industry, it is our most important industry and we have got to produce the results that we need then the Government, itself must take a hand in that. Who would believe that in Britain there would be a railway service or an underground service today if it was not controlled by the Government, it would not be there because it wouldn't work. There they are to provide a social service, we need it to provide a means of economic income to Gibraltar and therefore the Government must take a hand on this matter. If public enterprise cannot produce the results then the Government must try and find ways and means of doing so, because as long as we are at the mercy of the airlines that bring tourists to Gibraltar we shall always be in a very difficult and unsure situation. Mr Speaker, when I ask the hoteliers what is the main difficulty, the first thing they tell me is price. Our price is too high, it is not competitive. We have got it down to rock bottom, but the cost of our services are very high. We pay 100 times more, they say, for water in Gibraltar than they pay in Spain. The bills are astronomical for water and you cannot expect the tourists to come to Gibraltar and be told not to use too much water. Therefore, whether they like it or not, that is a chunk that goes into the price which is inevitable. And the same as I said with the airlines, if we want to keep 400 or 500 people employed, and more, directly from the tourist trade, we have got to give a measure of support to the people who make this possible. And then we come, Mr Speaker, to the operators, four operators, Mr Speaker, have given up Gibraltar, some of them for good. One was OSL, Wings, Ellermans and Thomas Cook, and we are left with three large ones. There is also another one but I think the three main ones are Sovereign, Exchange and Cadogan. And it is said that Exchange brings about half the number of people who come here. Look at the situation today and this is in fact why people were worried about another airline coming to Gibraltar. That if Exchange have left because of that we would have lost 50% of

the tourists coming to Gibraltar, overnight. We are in a very precarious situation. Since in any case it is the chap behind the counter who sells Gibraltar, no matter how much advertising they do in Britain if we haven't got the tour operators who offer the tour to the people who want to go on holiday, we will never be able to sell Gibraltar. What we are suffering from is that we only have three operators none of whom are at the top of the list. The largest, as I understand it, is Exchange Travel which I think is 12th or 20th in the list. It is not one of the largest, by any means. Intersun is one of the largest which unfortunately we haven't got. Perhaps we can make a success of this with a flight to Manchester. It has been proved, apparently, that the Manchester flight is the one that brings most tourists to Gibraltar and therefore if that is so why therefore do we not reinforce success, and go to the Provincial Airports to try and get more people here. Why haven't we done that before and why don't we do it now. Why hasn't the Minister got a plan for that on which investment will have to be put into. You are not going to draw a new tour operator into this just by telling them to come to Gibraltar. You have got to give them an incentive and the incentive must come in the form, perhaps, of free advertising. And paying for space in their brochure. That is the only way that they are going to do it. I am told that the most sophisticated tourists are in fact in the catchment from which we are selling which is the South East of England including the bigger London area. They are supposed to be the most sophisticated, those who want to go to the Continent, they want to go abroad and are less likely to go to a place where you sell it because you speak English and so on and so forth. It looks as if we are tapping possibly, the wrong market. Also, because they are the most sophisticated, they are the people who budget their income and say so much for my mortgage and so much for my insurance and so on and so forth, and it is very clearly planned. At the end of the day what is left is what they use for their holiday and they stick to that. But if you go further North where the people are not so sophisticated, where they are less interested in going to the Continent, perhaps people who go to Blackpool and Brighton and so on, they are more inclined to go to a home from home sort of place.

MR SPEAKER:

Let us not analyse on the Finance Bill and the Appropriation Bill the habits of people travelling. You are free to offer any suggestions you may have to enhance revenue from tourism, but let us not go into the details of how that revenue is going to be raised. We are talking about the general principles.

HON MAJOR R J PELIZA:

Anyway, Mr Speaker, whether we like it or not, the Government must invest money into this the same as any other business because this is our business. How can I hope to sell anything without first of all opening a shop, paying for the lease or

whatever, and paying for the stock that I have there. How can I do it? This, I am afraid, is what the Government is trying to do with tourism in Gibraltar. It is trying to sell tourism but is not prepared to invest in it. An investment has got to be made and it has got to be made before it is too late because we are coming now to what one might call the point of no return and to start all over again is going to be very difficult. So, Mr Speaker, we have to find operators who will bring more tourists to Gibraltar because they sell Gibraltar otherwise people will not buy it. Secondly, we have to look for a market where we might be able to do better than the market that we have today and that, as I see it, and as people who know the business say, is further up North. And, of course, we have to improve our product. On this, too, Mr Speaker, we are doing very badly, extremely badly. Nothing has been done, Mr Speaker, to improve things. Let us start somewhere and keep it up. It is no use putting a flower-bed today and forget about watering it tomorrow because it looks even worse than when you put the flower bed there. You might as well not spend money on the flower bed if you are not going to have the flowers and all you are going to have is rubbish. Someone told me, in fact, that they saw the sweeper going round collecting the rubbish and then putting it in the flower beds. Mr Speaker, this is where there is absolutely no coordination in Government and this is by all means the responsibility of the Minister for Tourism but much more of the Minister for Development because this is the industry that we have got to develop and it is no use dreaming of grandiose schemes on the East side of the Rock which never mature. No wonder he feels so frustrated, Mr Speaker, because he is tackling the things that he cannot tackle but the little things that count so much for us, that we do nothing about. Gibraltar is filthy, we can see, it is rubbish wherever you go. We can see even here, Mr Speaker, we have a nice promenade in Rosia where I mentioned the question of Jumpers Bastion at question time and I think the Minister for the Public Works Department said that although all those old refrigerators and things were going to be cleared but they are still there Mr Speaker, they are still there. Mr Speaker, there is rubbish everywhere and I think that unless a great effort is made on the product the chances of bringing tourism to Gibraltar are very, very small because even if we get the operator, even if you invest in advertising, even if you get the airlines to bring them here, once they have come they will never come again or very few of them will come again. Mr Speaker, I think it needs very careful planning. The Minister must urge the Minister for Economic Development to help him with this. He must see that the Minister for Public Works cooperates in keeping Gibraltar clean. He must get the Advisory Board going to get the full cooperation and enthusiasm of all the people involved. They are willing to help, they have told me that if the Government brings down the cost of water proportionally they would invest that money in bettering the service, in bettering the conditions of their hotels. To that degree they are prepared to cooperate and I am sure that there would be much more cooperation coming from them. I suggest that the Minister should remember these letters; P for Prices, O for Operators, M for Market, P for Product and S for Seats in

the aircraft - POMPS. So if the Minister can remember POMPS and go to bed thinking of it, get up in the morning thinking about it, perhaps, Mr Speaker, we may see some change in the tourist trade. If we were able to fill two Boeings 737 with a 70% load factor of tourists, that would bring to Gibraltar 66,413 beds filled up.

HON H J ZAMMITT:

If the Honourable Member will give way. Sir, I would like to know if he means two 737's coming in per week with 130 passengers would produce 66,000 beds. Would he like to explain that, Sir?

HON MAJOR R J PELIZA:

Yes, over a year.

HON H J ZAMMITT:

Then his figures are wrong.

HON MAJOR R J PELIZA:

Well, these are the figures I have been given. It is estimated that the money they would leave behind would give £1.5m more to the economy and would give the Government £300,000 direct income. That would increase the money flow in Gibraltar by £2.6m pounds and it would create 148 more jobs. The investment in support of this I would say at least should be the £300,000 that the Government is going to recoup but look what you could do, I have just given you an example of how it is possible, I am not saying this can be achieved just like that, but it is obviously a proposition, a target that the Minister should set himself because he knows that he can create more jobs to that extent, that he can bring more money into the economy and that he can put more money into the Government. The Minister has got a very responsible job in Gibraltar and I am just not sure to what extent he realises that. Mr Speaker, now I would like to touch on the Estimates of Expenditure with regard to the actual cost of the Tourist Department. I think the total of the cost is £653,000 but we have to deduct some money from that in that we get £67,000 for airport tax which I think is only fair should go because otherwise there is no point, it would be immoral to have that tax. I know it doesn't but it should because I would say that if there was a departure tax in Gibraltar it should go for some specific purpose but not just into the funds of the Government as such, it should be specified on what it is going to be used. The Minister should use his weight, if he has any, to try and get as much money as possible for tourists. He also gets £81,000 from the tourist sites so altogether, Mr Speaker, he should be allowed to have in his own rights £148,000. I am really very helpful to the Minister, as he can see. If we deduct that from the £653,000 we find that the Government is using only £405,000 on tourism. This is chicken feed, Mr Speaker, on the major industry in Gibraltar over which we have direct control and we

have neglected that, Mr Speaker. Not only have we neglected and seeing that the Dockyard is going we are doing nothing this year to at least attempt to put that right. Mr Speaker, if we compare that with the Philatelic Bureau the Estimates for 1983/84 is £400,000 coming in and it costs £179,000. We are going to make out of that £220,000 which is good money, I am not criticising that, what I am trying to say, Mr Speaker, is that we are investing £179,000 to make £200,000 but in tourism we are obviously making much more and we are employing so many people and we are only investing Mr Speaker, the lack of economic sense of the Government. Perhaps the Minister can say why we have suddenly lost so much revenue from the Philatelic Bureau because it has come down by about half. A department that was doing so well suddenly finds itself coming down so rapidly at a time when we can least afford that to happen. Well, Mr Speaker, there is more to be said about the Port and Yacht Marina but I think I have talked long enough. Perhaps one should finish by saying that with the possible closure of the dockyard a tourist trade which is plummeting down, the chances of an open frontier which could bring more business to Gibraltar, at least those who think that it would, not likely to happen, it is a very gloomy picture for the future. I don't think this Government has it in it to change the course of the situation and it would be perhaps in the interests of Gibraltar if they did go to a general election as soon as possible. I really mean that.

HON H J ZAMMITT:

Mr Speaker, Sir, I thought whilst listening to Members opposite quite patiently that we were discussing or debating the Finance Bill and yet as happens every year we divert from there into pettiness in trying to score points against individual Ministers and not at the revenue raising matters which we ought to be considering at this juncture. Mr Speaker, on the three departments that I have responsibility for I think the Honourable Mr Gerald Restano was the first one to speak on behalf of the Opposition and started off by saying that the first thing the Government should do is to take account of the DPBG proposal that the Victoria Stadium should receive a fixed subvention by Government and be run by sportsmen. I would like to remind the Honourable Mr Gerald Restano and indeed all Members opposite that that was exactly the case as it was before the Victoria Stadium was built when the old Victoria Stadium was controlled by a Sports Control Board and allowed to go to ruin and which brought, if members will recall a funeral procession by the Youth of Gibraltar for Government to take over a dilapidated Victoria Stadium and I remember in my young days playing on it where before a game we were compelled to go to Eastern Beach and collect half a lorry load of sand to put down. I don't think that anybody in the interest of sportsman would like to see the Stadium revert to that situation again. Secondly, if the Honourable Mr Restano thinks that we should hand over the Victoria Stadium by subvention to a group of people to run the Victoria Stadium while Government is providing the funds I think it runs contrary to what he said that the Opposition were going to

vote against, i.e. GBC, and I don't think that it would be very proper that if we were to give money to a Sports Board and then find the Opposition voting against it, it would be completely and utterly wrong again and experience has shown that the Stadium as run today and as has been running certainly since 1972, there are very few complaints about it and there is a fair crack of the whip to everybody and not just to one or two Mr Speaker, that was the situation and history proved and I am not speaking through my hat, I was an active sportsman when Mr Restano was playing soldiers somewhere else and I know more about the Victoria Stadium than he does and therefore I know what I am talking about. There is a Sports Control Board of people not nominated by the Minister but by the Federation. We never seem to go far enough and when we do that is pre-election so when we don't go far enough we don't go far enough and when we do go that far it is pre-election. This present Opposition, particularly the DPBG, shine by the inconsistency of their arguments throughout not just at budget time but throughout the three years that they have been in this House. Mr Speaker, to say that the overtime at the Stadium should be looked at again is quite ridiculous. The people there are geared to shift work and they work 39 hours a week but if we want a Stadium open on a Saturday and a Sunday, then those people although they work 39 hours or 8 hours on a Sunday we all know they have to be paid double, treble or whatever it is, because they work on a Sunday when everybody else is on leave. Whether we employ 5 people, whether we employ 10 people we still have to pay Sunday overtime rates so again it is a ridiculous argument to place as regards the overtime at the Victoria Stadium. Let me tell you, Mr Speaker, that Stadium is open from 8 in the morning until 11 at night. If we don't want that kind of service then let the Opposition say so and Government might consider reducing the service we are providing, if we want people working people have to be paid and there are no two ways about it. Mr Speaker, the Honourable Mr Restano also mentioned, together with the Honourable and Gallant Major Peliza, the question of the drop of philatelic sales. Yes, it is absolutely true, there has been a drop in philatelic sales throughout the world. There is a recession in philatelic sales but I would like to say with a certain amount of comfort that we in Gibraltar have not lost account holders. What we have lost is that a person instead of buying 5 or 6 or 10 sets has reduced it to one or two sets because of the present cash flow situation but we have not lost our accounts as have other administrations, indeed, we are getting accounts because of our conservative way of producing stamps in small issues or small numbers throughout the year. There is a great decline in the world of philately. We hope, of course, it will come back in not too distant a future. May I also say that we are quite lucky that we have not had to resort to giving out below face value which is what some countries are doing and which is damaging the industry even further. We are holding ourselves above water and, hopefully, as soon as the market finds its balance, we will be back with what we were getting originally and probably more. Mr Speaker, mention was made by the Honourable Mr Restano that our London Office was underused. Mr Speaker, the London Office is a Gibraltar Government Tourist Office, it is not an

Embassy, it is not a High Commission but let me assure Honourable Members opposite that very many Gibraltarians have made use and I hope will continue to make use of the London Office facilities as best they can in whichever way the staff there can be of help. I am not at all opposed to the idea that we do not necessarily have to be in the Strand. I think I can inform members that we have recently had a bit more bad news that the rent from £9,700 has gone up to £18,200, nearly 100% increase, Mr Speaker, in the Strand. I have given instructions to try and find alternative accommodation not necessarily in central London, Croydon is very expensive and may I say to the Honourable Mr Restano, Victoria is extremely expensive. We looked at a place there which was £68,000 of the same square footage as our Office in the Strand is. We are thinking very carefully because as I said the Tourist Office is not just for tourists but we do get Ministers, Officials, the Leader of the Opposition, when they go on their outings on political matters, of course, they make use of the London Office, and very rightly so. We are considering very seriously whether we have to be in Central London, could we be outside London and at the same time maintain the status of it being a national office. We have thought of the Philatelic Bureau having some business there but there are certain conditions attached to the functions of the Tourist Office, there are certain conditions attached to the Government of Gibraltar as to the functions of the Gibraltar Tourist Office, but I don't know what the Hon Member means exactly by further expansion.

HON G T RESTANO:

Expansion in political terms.

HON H J ZAMMITT:

Mr Speaker, as I said, it is not an Embassy, it is not a High Commissioner's Office, it is a Gibraltar Government Tourist Office. There are hidden dangers and I think the Chief Minister in his intervention will probably mention something about that. I am sympathetic towards expansion in Gibraltar activities be it to Gibraltar Groups, getting together, or whatever, certainly. Mr Speaker, my good friend Mr Tony Loddo said very briefly about the ways sportsman have been neglected over the last two years and surprisingly enough it is during the last 3 years that Gibraltar sport has been at its best. Funnily enough it is only within the last two years that we have had major achievements both home and away in international ventures, from the recent GFA championship in Ipswich the first ever win by the Gibraltar Football Association, to Rock Gunners being the European champions, to GFA participating in the European Nations Cup, by a visit of Wales, a visit of France, by a visit of England next week, and by Rock Gunners going away again in June for the finals of the A Group. We have never had it so good and as for the money that Government has contributed, and I am not going to list all the amount, Mr Loddo said that I had given £25 per sports team. Well, Mr Speaker, football have taken £4,800 from Government

by direct financial assistance. As for hockey, Mr Speaker, £14,199 and 70p. If that is the way that sport has been neglected then I take total responsibility for the Minister's failure and urge Gibraltar's sportsmen to continue in this marvellous way of reflecting Gibraltar's sporting achievements in having done as well as they have particularly over the last three years.

HON A T LODDO:

If the Hon Member will give way. Will the Minister give to this House a guarantee here and now that the USOC all-weather hockey pitch will not be used as a parking place?

MR SPEAKER:

No, with due respect, order. I am not going to allow new matters to be brought up. The Minister has answered an allegation that you have made, if you have an explanation to make on that allegation you are free to intervene otherwise there is no need to.

HON H J ZAMMITT:

I will guarantee the Hon Member that I will continue to be as neglectful in the next four years when we come back into power as I have been in the last three years and hopefully wish that sportsmen in Gibraltar achieve this high standard and I will be the happiest Sports Minister as I have been for many years and proud of Gibraltar's sporting participation. I think we have done extremely well and no one can fault this Government for the concern and what we have done for sport in Gibraltar over the last eleven years and in particular the last three. No one can fault us nor will anyone be able to fault us, Mr Speaker, it is there black upon white. This little micro chip Gibraltar competing and winning championships galore in Europe, in England, wherever we go we supposedly at £25 per sport which the Minister gives. Mr Speaker, I will not give way any more because I can take a joke but enough is enough.

HON A T LODDO:

I assure you, Mr Speaker, it is not a joke.

HON CHIEF MINISTER:

Mr Speaker, the Hon and Gallant Major Feliza spoke for one and a half hours and we had to suffer his oratory and except for clearing up one matter he was not interrupted and I think we deserve the same treatment.

MR SPEAKER:

It is up to the member who holds the floor to decide whether he wants to give way or not but it is my prerogative and my discretion when not to allow interruptions, I think you should now continue your speech without interruption.

HON H J ZAMMITT:

Mr Speaker, I think he must have had tongue in cheek when he spoke about having neglected the sportsmen. As I said I have a tremendous list there of cycling, angling, God knows what, with Government assistance, that people have gone away and people have been brought to Gibraltar in all spheres of virtually every sport. No less than thirteen visiting cricket sides have been to Gibraltar in the last thirteen years and my Hon Friend Mr Scott can confirm this.

MR SPEAKER:

With due respect to the Minister. You are now speaking directly to the Members on the other side and asking them to interfere, you must not do that, you must speak to me.

HON H J ZAMMITT:

I apologise, Mr Speaker, if I entice them into replying I think that Government contributes very substantially to the cricket teams that come here be it by way of facilities afforded, be it because of a little reception that the Minister may give which I think is only right, be it because of monies that we have given the Cricket Association. I must say we have never had a request from the Cricket Association other than a loan because they were quite a wealthy organisation but when they needed a loan Government did not shirk its responsibilities and came up with a loan.

MR SPEAKER:

Order. You are falling back into the same temptation. There has been a remark and you have answered the remark.

HON H J ZAMMITT:

I am sorry, Mr Speaker, I will not answer remarks. We have rallied whenever required to do so in the field of sport and therefore, Mr Speaker, I am not going to talk any more about that at all. I agree entirely with Mr Loddo about having to do more on the question of the historical sites in Gibraltar and equally I agree with the Hon and Gallant Major Peliza. That is a matter which I think my Friend the Hon Mr Adolfo Canepa mentioned as regards reviving Gibraltar's history by having a Military Museum and we are looking very closely and very carefully at trying to revive particularly the military history of Gibraltar for touristic attraction. Equally, of course, with conservation. I think the question of catering courses was answered by my Colleague Major Dellipiani and I do not think I have very much to reply to Mr Andrew Haynes. Mr Speaker, my very good Friend the Hon and Gallant Major Peliza, has had quite a dig at the tourist industry. First and foremost I think it is only fair to the Chief Minister that in the statement at page 7 the Chief Minister mentioned that "advertising increases had been curtailed", increases had been curtailed. We have remained exactly the same as we were last year after supplementary provision. We must not forget that I came to

this House and I asked for \$63,000, half way through the year when we subsidised the advertising for a Danish tour operator and we doubled our public relations in England and we put a little bit more into advertising. He asks what has this Government done of substance towards the tourist industry? Mr Speaker, 1982/83, in other words, since September 1982 when we started trade promotions in UK we more than doubled our trade promotions, in fact, I was in England so often that Mr Andrew Haynes did not like my attendance at the counter as I am so often urged by the Hon and Gallant Major Peliza to go, so I will have to ask the BFFG to make its mind up whether I should or I shouldn't not that I enjoy being away all that often but I seem to agree more with Major Peliza than I do with the young and Hon Mr Andrew Haynes. Mr Speaker, from September to March this year, 19 cities, that is, more than double of the trade promotions conducted in 1981/82 were conducted and to reduce costs instead of doing three I instructed that we should start on a Monday, Tuesday, Wednesday and Thursday and take in four into one trip. I regret that the Hon and Gallant Major Peliza has got his information somewhat wrong because although I am not going to go through the list that I have attended, I would say that from Portsmouth, West Country, the middle, south-east, Cheltenham, the west, Plymouth, then we went up the Swindon, Stockport, Huddersfield, Wakefield, Newcastle, Middlesborough, York and Nottingham, so we have done virtually all except we did not do East Anglia this year because we did East Anglia last year. We have been to Middlesborough, we have been to York and I am sure the Hon Member must know this. We have not been concentrating on the south-east that he was referring to. It is our main catchment area, let us not kid ourselves, the Crawley area is our main catchment area but we have gone around Britain and these 20 trade promotions have given me an opportunity of having 18 radio interviews.

HON MAJOR R J PELIZA:

If the Minister will give way. I was not saying that he had not been round, what I said was that we should get some operators, new operators, who could start bringing people from there and therefore we would have to subsidise their advertising and so on because obviously with the operators that we have now, the tour operators, it is not sufficient to bring more people from those areas whilst new ones might be able to do it.

HON H J ZAMMITT:

I will come back to that in a second, I have got a list of that, Mr Speaker. We have an operator which he left out which is Marshall Sutton that operates in York, in Beverley, and it does all the northern area but of course Cadogan are up the north and Exchange is in the north. I may be accused of being too blunt and sometimes wrongly interpreted but I make no bones about it. Tour operators or no tour operators, the main problem lies in lack of air seats. I think the Hon and Gallant Major Peliza will agree with that because my information, every time I go to England, is: "we would love to go to Gibraltar

but we just cannot get the seats". I am sorry if I upset any other airline or any airline or anybody else in the hotel industry, the rest we are all waffling about and I think Members find and people in Gibraltar find exactly the same difficulty when they are leaving. Very infrequently does one find surplus seats, invariably there are standbys at London and if any tour operator thinks that tourists are going to come down from Wakefield, York, Middlesborough or Edinburgh to Gatwick to see if there is going to be an empty seat at 20 past 8 in the morning then that person is in the moon and unless we have more flights to Gibraltar we are not really wishing to see the truth of the situation. Mr. Speaker, the awkward thing about air communications, if people care to look at statistics, is not that as some Member mentioned opposite, I think it was the Hon and Gallant Major Peliza, that if we had more then our load factors may decrease. Let me assure, and I have evidence to prove this, that our evidence is entirely the opposite. The more planes you have the higher your load factor and I think it has happened particularly in summer, Mr Speaker. In summer we find, Sir, particularly on the Manchester run where there were invariably 100% load factors from Manchester alone, 100% load factor, and let me give the Hon Member opposite a personal indication that even as, I am grateful for the importance he gives me as Minister for Tourism, on one of the trade promotions that I went to England as Minister for Tourism with all my importance I couldn't get a seat ten days before and had to go to Manchester on the jump seat and that is the all-important Minister for Tourism. God help Mr Perez or Mr Garcia in Main Street who decide to go to England for a fortnight ten days before. That is the truth of our tourist decline, the lack of seats, and I have invited the Hon Member and I am not being sarcastic about this, Mr Speaker, because I have a lot of appreciation for the Hon and Gallant Member opposite, I have invited him and I extend that invitation, I would like him to come with me on one of the trade promotions which hopefully will start next September and see and talk to the people and he will listen to the same tale of woe that I am faced with invariably. They say: "We would like to go out, we have a team a darts team, a hockey team, a tiddly-winks team, a group, bird watching, religious groups to Our Lady of Europe, we have written but they cannot give us 25 seats, they cannot give us 30 seats, that is the problem". That is the problem facing us today and it is against that that I too would like to put my little grain of sand of how much damage I think has been caused by the lack of concern expressed by the CAA to Gibraltar's vital air communications situation.

HON P J ISOLA:

Will the Hon Member give way? Has he read the judgement of the CAA and if he has how can he say the lack of concern on the Civil Aviation Authority's side? I read the judgement of the Civil Aviation Authority only a day ago, they went through all the evidence very, very carefully as far as I can see and they made a judgement. I do not think they can be accused, Mr Speaker, of showing lack of concern for Gibraltar, in fact,

reading the judgement, their view seemed to be that to give the licence would have been against the interests of Gibraltar tourism. It is a matter of opinion, I know, but I think for the Hon Minister to say of a public authority in the United Kingdom that has gone into the evidence very carefully, to say after reading that judgement that they have shown lack of concern is being unfair on an Authority that is not here to defend itself.

HON H J ZAMMITT:

The lack of concern that I wish to say and I will do so, Mr Speaker, as Minister for Tourism, I will say so, I have no allegiance at all to the CAA, none at all, or to any operator or operators. My concern is Gibraltar and, amongst other duties, Minister for Tourism, that is my primary concern and my primary concern is that if the CAA considers that Gibraltar can do without any aircraft on a Wednesday or on a Saturday, and I am not referring to the summer period because it was only three weeks since we had a Saturday plane stuck in, of load factors of 97%, the highest load factors in Europe and it does not warrant another competitor to come in the line, the same authority having said that they considered BA and GB to be one and the same operator and having in the not too distant past allowed Caledonian to be here, I think I am quite justified in giving my judgement of the situation as I see as no doubt I respect their judgement and they can say about me what I am saying about them. I was going to say, Mr Speaker, that what I do intend doing is, in fact, we had asked for our advertising agents to come out this week but because of the budget the thing has been put back for another couple of weeks because I do intend to have a fresh look at our advertising in Great Britain. We have found that there have been some instances where advertising in certain papers, national newspapers has become rather expensive to produce and then the follow-up by the coupon response has been priced at quite abnormal prices and our experience has shown that we may have to advertise in a different way. I think, Mr Speaker, I owe it to the House to mention that we are totally aware that the best advertising would be television and I mean, of course, television in Britain which is our main market and I would like to assure the Hon and Gallant Major Peliza that Britain will continue to be our main market with an open or partially opened frontier or even with an open frontier Britain will continue to be our main tourist market and we will not budge from there. What I would like to inform the House is that television today in Britain is prohibitive and if I mention, Mr Speaker, that it is now costing at peak period, that is to say, at the time of the day or evening when viewers are likely to have a look at it, it is £1,700 per second, in other words, the time I have taken to say it would have cost Government something like £7,000. It is far beyond our reach. This year, Mr Speaker, we put £15,000 in radio advertising four times daily on Radio Capital in London and the response was absolutely appalling. Again we were advised to do that and we were not at all happy with the situation, the response was very, very poor. It is absolutely right to say that Britain will be having two million tourists leaving

the British Isles during the course of the summer but again we must not kid ourselves, those two million tourists are tourists who are taking total advantage of the 205 pesetas to the pound, the 150 escudos to the pound and the strength of the pound works against us and we must not try and hide our head in the sand because we know it works against us and I think last night I heard a possibility of the peseta being devalued again by a further 8% which would mean that the rate of exchange will be something like 220 pesetas to the pound. Again that is the kind of competition we really cannot do very much about. I agree with the Hon and Gallant Major Peliza that we must do our utmost to promote and encourage all possible angles for the tourist industry in Great Britain and that whatever comes in from Spain with the partial opening, with an open frontier or with a closed frontier is a bonus but we are not going to put our eggs into that basket. Mr Speaker, on the question of the Advisory Board the Hon and Gallant Member is absolutely right, we have not met since August and there has been a very logical reason why we have not met since August and the reason is, and I can now say it, is because there is a member on the Board when we were talking about the possibility of Air Europe applying for a licence to Gibraltar who obviously was an interested party and there were objections from this particular firm and therefore we decided that during the time of the application of Air Europe until a couple of weeks ago that we should not have that because there had been personal accusations between members of the Board that could have had quite adverse consequences and there may be more about that in other spheres so I do not think I would like to go any further than that in the House, Mr Speaker. I would like to inform again the Hon and Gallant Major Peliza that we have carried out since last September monthly visits, I do not do Morocco, Mr Speaker, but the Tourist Office does go on monthly visits to Morocco having gone down as far as Casablanca and Rabat and we have advertised quite substantially in the Moroccan newspapers keeping in line with quite good touristic trade that comes in from Morocco. I do not give much credit although I will certainly look at this because I have not been approached about this departure tax of GB Airways to Tangier but I would tell the Hon and Gallant Major Peliza that that aircraft does receive very special landing charges by virtue of its repetitiveness in coming and going twice or three times per day. I do not know what I can do about the departure tax, I will certainly have it looked at but I have not been approached by the operator but it will certainly be looked at. We have been approached, quite rightly, by the Hotel Association in an endeavour to see what they can do to improve and better the product.

MR SPEAKER:

I would like to know whether you are going to go much further.

THE HON H J ZAMMITT:

I have another twenty minutes at least, Mr Speaker.

MR SPEAKER:

We will then interrupt your speech and we will have a recess for tea.

The House recessed at 5.20pm.  
The House resumed at 5.45pm.

HON H J ZAMMITT:

Mr Speaker, Sir, continuing from where I left off I would like to inform the House and the Hon and Gallant Major Peliza that very recently we held a seminar for guides in Gibraltar very successfully and in fact something like 22.....

MR SPEAKER:

Tourist guides, I imagine.

HON H J ZAMMITT:

Tourist guides, Sir: Recently we conducted a seminar and a course of instruction for tourist guides by the Gibraltar Tourist Office and I think something like 22 people qualified to become licenced guides for the tourist industry. I would also like to inform the Hon and Gallant Member that we have considered and, in fact, we did consider the question of floodlighting the Rock face recently. The equipment is still there, of course, the sodium lights or whatever they are called would require a certain amount of re-adjusting and some installation problems I suppose. I do not think the cost is very very much but in all fairness I should also say that it was not considered to be extreme priority. It is not being dismissed and it is a matter that I think we can carry out without any great problems. Mr Speaker, where I would like to differ with the Hon and Gallant Member is on the question of the airline that he says Government should have shares. This has been looked at, we have had correspondence from interested parties for Government in some way to carry out an airline service supported mainly by Government funds, obviously on charter because I very much doubt that Government now would get a scheduled flight considering CAA's recent views, but it has its problems, not least of all the possibility of a possible pull-out of some of the existing operators which would be more damaging and it is a matter which would require very serious and considered thinking as to what could be done of benefit and not something that we would find ourselves with some form of retrograde step. It is a matter we have not dismissed and with which we are at present in negotiations particularly with the Hotel Association to see how best we can help the industry in these difficult days. What I would like to say, Mr Speaker, is that a recent approach being made, as I explained earlier on, about a possible reauction in municipal charges to the Hotel industry as mentioned by the Hon and Gallant Major Peliza and for the hotels to pour back those savings into a betterment of the hotel in fact they go as far as saying supervised by Government, seems to



be an idea that we can certainly look at but I would like to emphasise and I do not want to create animosity, is that I have had leave from Government to ask the Hotel Association to try and find if by reducing municipal charges by whatever percentage how could we reduce the cost and I regret to say much to the astonishment of many, including myself, the answer was: "If you gave us free municipal charges, excluding telephones, I must say, that is, rates, water and electricity, there would be no reduction in the price being charged to operators today". Although our water charges could well be, and I am not prepared to argue because I do not know that our water charges as stated by the Hon and Gallant Major Peliza is a hundred-fold what it is in Spain, I do not know that, what I can say is that I am aware that Spain is cutting its water supply off and therefore I think they would much rather pay and have a continuous supply of water than have as no doubt will badly affect the tourist industry in Spain when they find that in the not too distant future if the weather does not change that they may have a very difficult time ahead with the water situation in Spain. The municipal charges as they stand today account for some 10% of the total overheads of the hotel industry and that I do not think with great respect to the hotel industry, that that is the main difficulty in being able to bring their prices down in competition with nearby resorts. I think, again, in absolute honest truth, the situation why we cannot compete is the overheads mainly on wages which account for 80%-odd of their overheads and there I think there is very little we can jolly well do about it. A waiter in Spain is getting 970 pesetas a day and here they are getting that amount almost an hour so one can see the disparity there and that is something that I do not think I as Minister for Tourism or any other Minister can do very much about. Needless to say I will give total credit to the Hotel Association because, in confidence, they are prepared to show me exactly what they charge tour operators for the accommodation and I must say here that the price is ridiculous, it is sometimes unbelievable as to how hotels are able to give accommodation out at the prices they give the tour operators. If they went any lower my suggestion is they should go free, I do not think they can reduce their costs any more and must be very honest about that and I give them total credit for reducing their prices to the absolute minimum and I am afraid that they cannot go any lower than that but we must make it very, very clearly understood that municipal charges in no way affect the price structure of the hotel, as I said, it is 10% of the total overheads. Mr Speaker, that is the problem that we will look at and, as I say, they just came to me I think it was last week when the Chairman of the Hotel Association came to see me and has since sent me a letter on the situation which I am looking at and seeing if my Colleague can look at this and view this with some sympathy to see if at least there is a way in which we can help them to ensure that they are allowed to continue to improve their product. Mr Speaker, one of the things that I am afraid I will have to do in the forthcoming year is that as opposed to visiting England every month as has been my custom during the winter months, that is,

from September to March, I have decided that it would be proper if we carried out large trade promotions every two months and the alternate month, in between, to have more trade receptions in small towns or villages and when I say villages I mean smaller places. There will be trade receptions for the smaller areas where we can combine a visit of three or four days around small towns possibly within London, like Ealing, Richmond, or places like that where we can tackle a particular area. I would like to pay tribute, Mr Speaker, here to the enormous response and assistance that I have received and the Tourist Office has received from all the tour operators, from all the radio stations and from the British press wherever we have gone and in particular to the Travel Agents because it may surprise Members to know that we are the national Tourist Office that gets the best attendances at our trade promotions and an article will be appearing, I think at the end of April, in the Travel Trade Gazette highlighting our attendances which are quite abnormal compared to other national tourist boards such as Malta, Cyprus and the like, where the same tour operators that do Gibraltar have of necessity to attend and therefore they are first hand witnesses to see the reaction that Gibraltar receives and the support Gibraltar receives as opposed to the response received by other national offices. Having said that, Mr Speaker, it does not mean that there will be a saving other than possibly my trip as opposed to every six weeks or so it will become every nine or ten weeks, there will be a saving in that sphere; but of course trade promotions are expensive whether you hold it in Ealing or Richmond or Middlesborough. The set-up has to be exactly the same and therefore there will be very little saving there. Of course, we are very conscious of the need to continue plugging Gibraltar in every possible way and reminding people of our existence. I do not think that we lack support and friends in Great Britain, I think we have a tremendous number of friends in Great Britain and people who really have a concern for us and would like to do even more for us. In that sphere, Mr Speaker, one idea that we are going to conduct this year is that we are going to have a coupon slip with all our tour operators and travel agents and I must say here and now that it includes Intersum which is the second major tour operator in England with a circulation of some 670,000 brochures per annum. We are going to insert a little page somewhere in which we are offering that the tour operator and the tourist may be able to share the princely sum of £100,000. It is not that the Tourist Office is going to give £100,000, it is that we are going to hold a raffle or a draw here .....

MR SPEAKER:

We are getting into details which I think we must not do but go ahead and finish what you were saying.

HON H J ZAMMITT:

I was trying to say what we are trying to do promote and stimulate this, Mr Speaker. We are going to draw twenty of

these slips per year which means that the winner will be able to share a Christmas Government lottery draw, that may seem some way of encouraging the tour operators to further push Gibraltar. Mr Speaker, finally, I would like to say that I hope I have been able to convince the Hon and Gallant Major Peliza that we have not had a drawback or a clawback on advertising expenditure, we are a little higher than last year. We must not forget that the Denmark operation no longer exists and yet we have the same money so therefore everything is being poured into Great Britain and Tangier to try and make sure that we get the best. The other thing which I think is important is that it will be noticed in the draft estimates that I have transferred all the money that we spend in England on tourist promotion under the London Tourist Office as opposed to the Gibraltar Tourist Office and that has been done for two reasons. One is to make sure that we are all aware of what we are spending in England and, secondly, obviously, on the political line, that ODA can realise that we are contributing in some way back into the coffers and the Treasury of England in a small way by £270,000/£300,000 or whatever the figure is. Mr Speaker, that is all I have to say at this particular juncture and to add that the Government certainly is aware of tourism being the second major industry, we would not like it to become the first major industry, we would still insist in having a Naval Dockyard and we will do our utmost to try and see how best we can do within our resources to stimulate as much tourism as we possibly can to Gibraltar but with that I must say that it cannot and must not be left entirely to the Government to do every single thing, every Tom, Dick and Harry in Gibraltar must do his utmost. If the streets are dirty they need cleaning up but if people did not throw rubbish they probably would not need cleaning up so everybody directly or indirectly must contribute to making Gibraltar what it is, the pearl of the Mediterranean and bring as many tourists as possible to Gibraltar.

MR SPEAKER:

There are only two other Members who can contribute to the debate, the Hon and Learned Leader of the Opposition and the Hon Mr Bossano. Are there any contributors? Then I will call on the Chief Minister to exercise his right to reply to the Second Reading of the Finance Bill.

HON CHIEF MINISTER:

I am prepared to give way to our late comers, I do not want to jump the gun too quickly.

HON P J ISOLA:

I should explain, Mr Speaker, as I explained last year, that I do not propose to speak before the Hon Mr Bossano. We are six Members on this side of the House and we know that the Hon Mr Bossano's party can hardly be referred to as bed fellows to the DPBG and we also know that Mr Bossano has a

nasty habit of attacking his DPBG colleagues in the House of Assembly and therefore we choose to await his contribution which we are all, I am sure, very anxious to hear in this very important year but obviously we would want an opportunity to deal with any points that he might wish to make that affect my party. As I said last year, as far as we are concerned the DPBG policy has been set out in full and much as I would like to win up I won't take that privilege until the Hon Mr Bossano speaks.

HON CHIEF MINISTER:

Mr Speaker, I did not stand to speak straightaway as I did not want anybody to think that I was anxious that there should be two less speakers. As far as we are concerned we would have equally welcomed the two speakers to have spoken in which ever order they might have agreed or it might have come out, I have no comment. We consider that side as the Opposition, this is the Government. If there is anybody who wants to cross the floor I will only give him one month, I have already had two people who crossed last time but not at the last moment, I won't have any at the last moment, we just do not make Ministers that easy. Mr Speaker, I won't be very long. Quite a number of the points raised by the party statement on the budget read by Mr Restano, a fifteen page report, most of the new points made have been answered by Ministers who have spoken. I do not propose to go through it because it is a cumulative statement of all the points that have been made by him and his colleagues ever since he left the GDM and joined the Opposition. It is like a scratched record which is so old because the same one has been put again and again and again. All about you should have done the IDD when we told you, you should have done this. I will not give way, I am speaking in reply and I would give you notice, Mr Speaker, I will not give way except to the Leader of the Opposition or to Mr Bossano on any matter for clarification. Anyhow, I do not propose to go through all that because we have had it before many, many times and I can understand them making a Party statement and having it mostly prepared and having the last page to put in whatever proposals are put out in the last moment in the budget. But there are a number of points of general interest that I consider it my duty to mention because they are of public interest. I think one point was raised there and that was the question of asking the new Minister of Overseas Development to come out in view of the failure or perhaps the lack of interest on the part of the difficulties that there was on the part of the previous one. I would like to tell the House that an invitation was extended some time ago to Mr Raison when he took office and that he is, as far as we are concerned, considering the possibility of a visit to Gibraltar sometime in the near future. That was one of the new points because Mr Raison was not a Minister last year so it could not have been included in last year's statement. There is one point made by Mr Scott which I will take up. I think I read a report recently which makes me feel that it is quite alright but he did mention the fact whether there was proper inspection of the cable car. Well, I take the

point, I have not had time since he made the point this morning but I think I saw a report recently on an inspection but it is one of those matters that one welcomes that they should be raised because it refers to public safety and whilst one is doing ones best one of these things could be overlooked and I will undertake to look into that matter because if I remember rightly when that was raised in the time of the City Council there is an appointed officer under the terms of the licence who has a duty, at one time it was the mechanical engineer, Mr Coombes, who used to do it, I will have that looked into. What has surprised me about the intervention of Mr Haynes is his incursion into foreign affairs. He said one or two things which I think it is a pity that the Leader of the Opposition has not spoken because I would certainly like to know where we stand on this situation because he has said that the softly, softly approach does not work, that we need a bold approach and that we have kept quiet for twenty years. Well, as it happens it is twenty years since we first went to the United Nations to fight about Gibraltar and after that we were there in 1964, 1965, 1966, 1967. I also went with Mr Xiberras in 1974 fighting on the question of Gibraltar and in fact if there are any criticisms about the approach to the question of Spain and foreign affairs, that criticism has to be shared with the leader of his party because all the calls for unity that there have been in this House throughout this debate and so on, if there is one on which certainly the official Opposition and the Government have been agreed is the question of the bi-partisan approach to foreign affairs. If Mr Haynes is a spokesman, an official spokesman of the Opposition on the question of foreign affairs then it looks as if the idea of a bi-partisan approach is being abandoned and that the Opposition is going its own way because the approach is softly, softly which is attributed no doubt only to me has not worked. I would want clarification of that either inside or outside the House because I think this is of vital importance. If the statement by Mr Haynes is not denied by Mr Isola then I shall take it that we are put on notice that the bi-partisan approach on foreign affairs is at an end and then we shall have to see how we go ahead on this matter. If in fact it was just another of those irresponsible diatribes which the Hon Member is used to, then I would be glad to hear the Hon the Leader of the Opposition tell me that the question of the bi-partisan approach is not at an end. If it has to be at an end it will be a sad day, Mr Speaker, but we will have to face it because this is the way of politics. We have to adjust ourselves to the new situation and see how that will take us. Certainly, being together on this has had its great advantage in many ways because there has been a time where with one dissenting voice we have spoken on behalf of the people of Gibraltar as a whole.

HON P J ISOLA:

Mr Speaker, if the Hon and Learned Chief Minister would give way. I think he is making a mountain out of a molehill, if I may say so. I think any Hon Member, both on that side of the House and on this side of the House, is entitled to make statements about what he feels on the situation and the

frustration that he may feel on the way our affairs are conducted by Her Majesty's Government and I would not object to that, in fact, the Hon and Learned Chief Minister's friend, Major Dellipiani, I thought at the last meeting of the House had a lot to say about the Ministry of Defence and the Base and what he thought they ought to do with it and so forth and today in his contribution he said things which I hope are not the policy of the Hon and Learned Chief Minister. May I say, as far as foreign affairs is concerned, I speak for my Party and I speak for my Party after consultation with them. If the Hon and Learned Mr Haynes who is perfectly entitled to make his comments here feels that that policy ought to be changed he will no doubt ask me to take steps to do it but as far as my Party is concerned we have gone along with the bi-partisan approach which Mr Speaker, I should say, has not been to the political advantage of my Party and I think it is wrong on the part of the Hon and Learned Chief Minister to try and make a speech to the public saying; "The DPEG are now breaking the bi-partisan approach", that is not so. A Member of the Party has given his views as he is perfectly entitled to do, he might be seeking support for his views which he supposes he cannot have majority support on my side from the other side as well because it is a bi-partisan approach, even from the Chief Minister himself, but I must tell the Hon and Learned Chief Minister that we on this side have been very surprised by the very outspoken statements that have been made by some of his Ministers in relation to matters in which we would have hoped also for a bi-partisan approach.

HON CHIEF MINISTER:

It is precisely why I said at the beginning that I would only give way to the Leader of the Opposition and Mr Bossano who has not spoken because I hoped to provoke him into saying what he has said. This is deliberate because it is in the public interest because of course every Member is entitled to make a statement and of course Members feel very strongly on one aspect of the matter and they have an outburst of it and good luck to them but this was different, this morning when we see the Hansard it will be noted that it was not just an outburst it was a very important part of the contribution in the debate on foreign affairs. It is the first time that anyone, even Members of my party other than of course Mr Bossano and the Hon Leader of the Opposition and myself have gone to such length on matters of foreign affairs in this House. That is why I have highlighted it. Of course, he is entitled to have his views but the views put forward this morning were so much at variance with the attitude that we have both taken over the years that they have to be highlighted and I am glad to hear the Hon Member make that but it is not unfair of me to do so, it would have been unfair of me not to have done so and then to raise it with him in private, that would have been different because then it would have looked as if we were looking for positions outside in order to be able to carry on in a policy that was cracking. Well, if the policy is not cracking I am not delighted but it needed that statement from the Leader of the Opposition to put right the

very wrong impression that the contribution of his Member who spoke about this in such length. I took particular note of everything that he said most of which, of course, was nonsense but, anyhow, it did affect and did say that we had to have a bold approach, we had kept quiet for twenty years, we had to decide on our economic independence, we must get those gates opened. Well, I wish him luck if he tries on his own. Perhaps if he were to get a respite from his leader and allowed to be going across the way and do his own researches there he might perhaps be more successful and at the same time satisfy, no doubt, a longing wish to do so. Anyhow, be that as it may, we pass on now to the rather longish contribution of Major Peliza this afternoon. Just on one point, I think. He stressed first of all, that it was very wrong of me to suggest that though reprehensible, as I think he said, the action of the union was about the fleet, that I should have put in question the Britishness of the unions. Well, I don't know, perhaps he does not get the press releases of his party but if he looks at the press release of his party on the matter on the 13th of April, first of all it is couched in much more critical and destructive terms, I would call it, into a Trade Union activity than the press release issued by the Government, by myself on behalf of my colleagues, because of the blacking of the British fleet so that the word British is in the second line of the communique. As it happens the second line of my communique spoke of the Royal Navy, I did not bring Britain in so quickly as the other release did. And then it went on to say: "Whatever apologies and qualifications they may make for their action the truth of the matter is that they are blacking and interfering with the efficiency of a fleet whose visit to Gibraltar despite protestations from the Spanish Government is wholeheartedly welcomed. The DPEG considers that the Trades Council leadership is irresponsible in their action and very much doubt it should have the support of the overwhelming number of working people in Gibraltar". And then it went on to say: "The present action far from achieving this objective can only result in serious risk of adverse publicity in the British press and loss of support from those many Members of Parliament, and especially the British/Gibraltar Group who are fighting to keep the Dockyard open". Which is, of course, more or less the sentiments that were expressed in the press release of the Government except that the press release of the Government was in more restrained terms and did not question as we do not for the moment whether the leadership had the support of the union or not, that will remain to be seen on another occasion. The nonsense spoken this afternoon by the Hon and Gallant Major Peliza about the fact that this was an unwarranted attack on the union I would leave to the unions to decide whether the approach that we have, despite our criticism, to their right to decide whatever action they think fit if we consider them to be against the public interest is or is not more in keeping with the British way of life of looking at British union activities than the attitude taken by being appalled as is stated in the DPEG press release. One other point that has been mentioned by several Members is the question of GBC and I normally answer questions but I always

make it quite clear that GBC is an independent entity and that therefore matters of policy are decided by the Broadcasting Corporation and not by the Government. I had a note here to say that I had asked in respect of the question of advertising. I had asked GBC for some information as to the extent of income that they derive from that kind of advertising despite the fact that we have cut them very, very severely this year and they have to readjust their budget to the extent that we have cut a considerable amount but I have now received a letter, a copy of a letter addressed to the Leader of the Opposition, about another matter which I need not deal with because I am not answerable to that, perhaps he may want to give this publicity or not, I do not know, about whether Mr Bossano was interviewed, raised by Mr Restano, whether Mr Bossano was interviewed and we were not. Apparently Mr Bossano was interviewed on behalf of the GBC on a matter on which the DPEG and the Government had made statements. Be that as it may, I am not dealing with that, but the letter says, and I only read it because it has a bearing and it is the view of GBC as expressed to the Leader of the Opposition and it pinpoints .....

HON P J ISOLA:

Can the Hon and Learned Chief Minister confirm that he has received this copy about twenty minutes ago?

HON CHIEF MINISTER:

That is right. I was saying that before I got this letter I had in my notes to say that I had asked GBC before the session of the House because I also was interested on the question of Spanish advertisements, or advertisements of property and goods in Spain, I had already, that can be confirmed, I had already asked GBC to give me some idea of how dependant; how much money was being collected to put in the balance the disadvantages and the advantages because when we were cutting their budget so heavily it would be very difficult to justify if the amount was considerable, to justify indicating to them other than through statements that have been made here, that they should not proceed with that advertisement, so I wanted to know what the extent was. I have no hesitation in saying that if the advertisements were to be able to do enough to dispose of the subvention of the Government, I would certainly have no objection if they wanted to advertise because the subvention is over £½m so that the point is it is all a matter of proportion and it is that that I wanted to explain to the House as I have on my notes for reply, but I have had this letter a few minutes ago and I refer to what is said in the letter: "May I also say in passing that in order to make both ends meet the Corporation has had to resort to the acceptance of advertising for Spanish products but not all these advertisements come from Spain. At least two of the property advertisements come from Gibraltar firms and we cannot turn away Gibraltar business and at least one comes from the UK. Spanish advertising accounts with these exceptions amount to about 7% of all advertising on GBC". Well, I would want to know how much of the 7% of the whole

advertising is and how it bears to the general subvention. "It should also be borne in mind that in many cases the advertisements have been placed on GBC for the benefit of expatriates living on the Costa del Sol e.g. Malaga airport car park, Rolls Royce service agents, Optica Maruenda etc." Well, certainly the Rolls Royce service agency that I know of would only have satisfied one Gibraltar customer who is privileged to have a Rolls Royce, there are not many of us who have Rolls Royce in Gibraltar. I think I ought to make it quite clear that whereas one sometimes dislikes the advertisements as much as Hon Members opposite, one has to find out exactly what benefit it is bringing to the Corporation and to what extent the subvention would have to be increased or not having regard to the amount of money if one expected them to give it up whilst one is attempting to persuade them to become much more profitable in order that the subvention will be reduced, it is a question of balance. Mr Speaker, it is a pity that we have not had the two contributions that would have been expected on the debate, perhaps we will hear it in another debate, I don't know, I suppose there is still another chance, certainly the Government will be quite happy to hear the views of the other two Members opposite who have not spoken. We have prepared this budget fully cognizant of the serious situation that we are facing, we are at the crossroads, so to speak, we have a difficult future, we cannot foresee what is going to happen, certainly we know that there will be employment for half of the financial year or three quarters of the financial year at more or less present levels but there is no doubt that the original announcement of the closure of the Dockyard has depressed and restrained many people from entering into financial commitments, I think the Financial Secretary has said so, we know that savings are going up considerably and therefore to some extent people are being wise in the sense that they want to put aside money in case difficulties come, that is something which is only prudent for people to do if they feel they have possible jobs at stake, that has depressed the economy to some extent added to the recession and added also to the difficulties at the frontier that take away the confidence that is required if we are to pump money into Gibraltar from outside to activate the private sector of the economic activity that is so essential if we are to become as we would dearly like to become economically independent. The Dockyard has been spoken about, I spoke about it at the opening and I would just like to say a few words before we finish. Major Peliza said that he well understood the obligation of the Government to pursue the study that is being made about a commercial Dockyard which has required months of study by teams on both sides. He, of course, may be right but he has made his own judgement on his own assessment of the situation and he has come to a conclusion. We do not know whether after months of going and coming and with experts, advisers, consultants, appraisals, we will come to the same conclusion or not. If we do not come to the same conclusion it may well be that he has not got his facts right, if we come to the same conclusions then it may be that it is easy to decry something before you know what it is but at least I am glad that he appreciates and, indeed, as the Leader of the

Opposition has done from the beginning, appreciates that we have to look at the possible alternative but the reason why we feel doubly strongly about the Dockyard is because it is the presence of the Dockyard over the years because of Service requirements and not for the benefit that it has brought to Gibraltar itself that the economy has for so many years been geared to the question of the Dockyard. I remember in the days of the IWFEP when it was said that the Dockyard economy was a greater safeguard to Gibraltar and we used to say the Dockyard could be here today and gone tomorrow. Unfortunately, in that respect we have been proved right certainly up to this moment because if it is not next year it will be the year after and at some stage an alternative will have to be found. If one day we find an alternative, be it now or later, that is successful and that provides employment and economic activity for the people of Gibraltar, then we will perhaps at the same time because this is the irony of the whole question of, what I would say the conflict of the thinking of the difficulty, I would put it this way, I am not saying conflict, of the Trade Union Movement where on the one hand most of the trade unionists would want to see the last shackles of colonialism to be removed but at the same time because there is so much dependence in the economy of the continuance of the Dockyard that they cry out for the continuation of something which means dependence, more dependent on Britain than would otherwise be the case or would otherwise have been the case had Britain not required it for as long as it has and it is because Britain has required it for so long and because we have become dependent on that because of their requirements that we have the right to claim that something else equally viable must be put in its place. We have the moral grounds, we have commitments of sustaining the economy. It is proper that it should have been said and it is proper that it should be discharged because it is a responsibility which has been created over years of requirement and now comes the time for reckoning and we hope that the result one way or the other will be such that Gibraltar will not suffer unduly due to the results of what now, again, Major Peliza has said is a natural result of defence strategy whereas at the last meeting he was brandishing about a book by Mr Keith Speed to say that it was proper that we should return to the old system of defence where Leander frigates would be required to be maintained and the Dockyard could be kept open. If the Dockyard has to be kept open until something else viable is found beyond a period remains to be seen after the last reports are considered. For our part we feel that if as a result of the discussions, I am speaking politically, if as a result of the discussions it were found either by the British Government or by the Gibraltar Government or by both that a commercial Dockyard is not viable, the British Government has got a duty to keep that Dockyard open until an alternative viable economic activity is found in order that the standards of the people of Gibraltar are not to be thrown away just because of a White Paper.

MR SPEAKER:

I will then call on the Financial and Development Secretary to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, before moving on to just a few points on which I would like to speak. I have no wish to dabble in politics this is not my remit but I would like to say that if the new system for debating the budget has in any way exacerbated the problem of who speaks when, then I apologise to the House, I hope it hasn't, I don't think it has, but if it has then I am sorry.

MR SPEAKER:

May I dispel any guilt you may have. This is not the first year that we have been faced with the same problem.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, the Hon Mr Restano used the words "the estimates of revenue and expenditure are perhaps slightly misleading to the average man on the economic effects of the open border" etc. I am sure that he did not use the term 'misleading' in any pejorative sense, I am sure he would not suggest that the Hon the Financial and Development Secretary would wish to mislead. What I would agree, not misleading but they are opaque rather like Foreign Office drafting, difficult, opaque, you cannot really see through them as to what the effects are. I agree entirely with that and that is why we try to give and can give during the Committee Stage of the Appropriation Bill we perhaps can pin-point those areas where it is costing us much more money and where there is no counter-balancing revenue. There was also mention that on the cuts of import duties that affect the cost of living index, clothing and shoes, a small point, but in fact these have no really significant effect on the cost of living index at least so I am advised by the experts. I see the Hon Member is looking at me with some surprise. The Hon Mr Scott in speaking on the investment talked about the need for greater investment in micro-computers. I endorse that view and it was with great reluctance that I had to cut out of the departmental requests for expenditure this year, requests for additional micro computers, the fact of the matter was that we could not afford them and balance the budget. I had to knock out my own department, I had to knock out other departments, I hope that when the economy is on the up-swing we will be able to afford to buy them because they are needed in a number of areas and I agree with him but I am sorry we cannot afford them. He also mentioned £1m for the repayment to the electricity borrowing. Well, in fact, the total figure in the Consolidated Fund charges is £1.3m but of that £0.7m is repayment of loan and the point here which perhaps I should explain to Hon Members, is that it is a short term loan because we got it on soft terms on supplier finance, that is 8%, the documents were laid on the table and Hon Members will remember, but it is a shortish term whereas bank loans that we get are normally longer term and of course in applying the cost and interest charges to the actual fund, the Electricity Fund, we are amortising the buildings at a

certain rate and the actual plant at a different rate over a much longer period not merely over the period of the loan so that there is not a heavy front loading on the fund of the cost of the electricity. Fuel oil: In fact, the Hon and Learned Leader of the Opposition raised this during the Second Reading debate on the Appropriation Bill and I was going to try and answer him then but he happened not to be in the House but I have had some figures from Shell Company showing how actually the fall in oil price has been eroded by the weakness of the pound against the dollar and I will circulate to all Members of the House for their information a copy of the table which he sent with his letter, I think it is quite interesting. The Hon and Gallant Major Peliza talked about the £4m debt and that the debt is not being collected. This is not strictly true, it is being collected, the Accountant-General is in constant battle with people who owe us money to get debt scheduling, repayment over a certain period and we have been very successful in doing that and, by and large, people and companies who have got into debt are paying on the schedules they have agreed. Some do not honour them and then we have to start cutting services and we are cutting the services in a number of cases but the Government has no wish to pull the rug from under any company or anyone in the trade and obviously we are looking at the financial position, the various people concerned, and agreeing repayment schedules which they can afford and that is our policy. The Hon and Gallant Major also talked about income tax. I think actually he is quite right, of course, I did acknowledge the fact that the disparity between ourselves and the United Kingdom is much higher but I think that in quoting the figures he did give, if I may say so, the married couple allowance and compared it with our single personal allowance, in fact, there is a great disparity it is over \$1,000 but not quite as large as the Hon Member led the House to believe. Of course we have also got, as I said in my speech, to compare the effects of taxation between Gibraltar and UK, we have got to look at the effects of indirect taxation which is much higher in the UK and also the fact that in the United Kingdom they have got two horrors, if I may call them that, one is the capital gains tax and one is the capital transfer tax. Horrors not in terms of collection but the administrative cost, we have looked at these, the administrative cost of running these would be extremely high in Gibraltar. I think, Mr Speaker, these are the only points I wish to comment on and I commend the Bill to the House.

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

The Hon I Abecasis  
The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon K 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 Pcliza  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member voted against:

The Hon J Bossano.

The Bill was read a second time.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have been caught short. I expected this debate to go on until a little time tomorrow morning and I had deferred preparing my definitive speech on the Appropriation Bill which I will warn the House will not be long, until I had heard what was being said.

MR SPEAKER:

We will then recess until tomorrow morning at 10.30,

The House recessed at 6.15pm.

WEDNESDAY THE 20TH APRIL, 1983.

The House resumed at 10.40am.

MR SPEAKER:

I will remind the House that last evening we finished the Second Reading of the Finance Bill so we will now proceed with the Second Reading of the Appropriation Bill.

SECOND READING.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to move that the Appropriation Bill be now read a second time. I spoke on the Appropriation Bill in my budget speech and I only want to say a few words to put a slight gloss on what I said then. In preparing the estimates this year we assumed, rightly or wrongly and it is a matter for opinion, that the current restricted border opening would continue throughout 1983/84 and that the Naval Dockyard would close on the 31st December, 1983, and that it would not be replaced by any other facilities, possibly an over-prudent view but one which I thought necessary. When the draft estimates came in we found that the general position was that the Consolidated Fund Balance would drop from about £11m as at 31st March, 1983, to a mere £4½m as at 31st March, 1981. In advising the Government I felt it essential that leaving

aside budgetary contributions to the funded services and to the Improvement and Development Fund, we must balance the recurrent budget and not go for a deficit budget. My reasons for doing this were four-fold. First of all, we have got to go to the London Market this year to borrow money, we are doing quite well in the amount which we have collected on our debentures but we shall certainly need to go to London Market and our approach would not be helped by having a large deficit budget. I am not saying that we would not be able to borrow the money, it is merely that the amount that we would have to pay for that borrowing would be much higher because the risk would be greater for the people who are lending the money to us. Secondly, with a large deficit budget we would be unable to make any further contribution for development to the Improvement and Development Fund during the course of the year, we have already set aside £1.5m as disclosed in page 5 of the draft estimates on hopes that as the year progresses we may be able to allocate more for development particularly for the development of housing. And thirdly we would have a serious cash flow problem this year particularly with the current level of arrears that I touched on in my budget speech towards about three quarters of the way through the year we would be having problems. And, finally, if one assumes that the Dockyard was to close and that it would not be replaced by any other facility immediately, then we must have reserves to meet the initial impact of that on the cost in unemployment pay in the final quarter this year and in the subsequent quarters. And so what we tried to do was to contain expenditure without reducing the services provided by the Government to the people of Gibraltar and, basically, in very broad terms what we did is we took off about 6% of the revenue bids by departments. This was not the same right across the board, some departments took rather heavier cuts than others. Take, for example, the Audit Department, your room for manoeuvre there is extremely difficult and as the Hon Mr Scott pointed out in his speech on the budget, where the heaviest cuts lay were in Other Charges and this is inevitable if you are trying to cut public expenditure quickly. If you are going to go for cuts across the board and particularly on PE it is going to take time if you are going to avoid nugatory expenditure. Lord Armstrong, when he was Permanent Secretary to the Treasury in the 1970's and we were trying to cut expenditure there, said that reducing public expenditure is like stirring treacle, a lot of vigorous activity at the centre with ripples going out towards the edges and my own experience in the British Treasury on cutting public expenditure is that you need a period of three to five years to enable you to do this if you are not going to erode seriously the standard of the services which the Government is providing for the public. And so, Mr Speaker, it is against this background that the revenue and expenditure estimates were prepared and clearly the House will wish to look very carefully in going through the various Heads of Expenditure to see where cuts have been made and express their views on these. I do not think that there is any need for me to go any further into this, Mr Speaker, it is just a slight gloss on what I said but I hope it will be useful to the House in looking in the Committee State at the estimates. Sir, I commend the Bill to the House.

MR SPEAKER:

I will then ask the Hon and Learned Chief Minister to exercise his right to speak.

HON CHIEF MINISTER:

Mr Speaker, the new procedure which we followed this year made me cover in my statement in support of the Finance Bill some of the things I would have said in the Appropriation Bill. I tried to concentrate on both aspects of it and therefore a lot that I have said in my statement, had we followed the usual practice, would have been said in this statement under this Bill rather than under the other one and therefore I must refer myself to that generally. With regard to the question of cuts to which the Financial and Development Secretary has referred, I would like to expand a little on something rather interesting which my Hon Colleague, Major Dellipiani, mentioned yesterday about the way in which cuts are made in Government and that is that Heads of Departments, in consultation with their Ministers, produce their estimates as they would like them to be ideally and that prior to that the Financial Secretary and I decide on a strategy about the extent having put all of them together, the extent to which we can bear the expenditure proposed and the extent to which we have to cut in order to be able to balance the budget in a way that will be producing other revenue which can reasonably be expected having regard to the very special circumstances of this year. The budget can be balanced with a modest surplus (a) because it is ideal and better and (b) because of the presentational effect that it has not only with regard to the question of borrowing but generally with regard to the question of people who come to invest in Gibraltar to find a budget which does not allow for the expenditure to be covered by the current revenue. Whilst we were lucky and perhaps had some foresight in accumulating a substantial Consolidated Fund balance that is somewhat relative and in fact had we not done that we would not have been able this year to make a contribution from the Consolidated Fund in order to be able to carry on with some of the essential social requirements which unfortunately are not covered by the parameters of the help that is being given under ODA and in fact Ministers do fight very hard in Council of Ministers and in the budget discussions for their departments and they are listened to with care and eventually they have to accept the cuts after hearing them, to make sure that the essential services are kept there. It is no use saying: "Well, alright, I agree to the cuts but I will need more money and I will come for it in the course of the year". That would be a false presentation of the budget and in fact it is necessary not only for Ministers but for the cuts that are made to permeate down the line so that everybody who is involved has a sense that he has got to abide by the parameters set out and by the expenditure authorised in the departmental estimates and not to come very quickly for supplementaries for the simple reason that having regard to the nature of our finances this year there are bound to be some supplementaries of unexpected expenditure and so on but there

will not be funds for supplementaries on the recurrent budget without having recourse to much money either from the Consolidated Fund or from borrowing and therefore it is incumbent upon accounting officers to maintain their expenditure within the parameters of the departmental budget and the cuts and to live with them and to adjust them. This brings about sometimes strains and stresses particularly in the question of overtime a considerable amount of money has to be saved to some extent and of course there is overtime which in any case is bound to be paid under the contractual conditions of employment, say, like the nurses. Members of the Opposition referred to the high payment in some respects of Prison Officers and others, well, it is necessary by virtue of their terms of employment that even working a purely 39-hour week to pay overtime because their conditions of employment provide that sometime which is worked within the 39 hours over a week-end is paid at overtime rates. The same applies to some of the other services like the Firemen and so on. With regard to the Police, regular overtime was paid when the police was not manned to cope with the situation that had arisen. It started off at 48 hours regular overtime, it was reduced to 44, I think, when the first big increase was made under parity following on, I think, shortly after the election of the Conservative Government who had committed themselves to provide more money for law and order and therefore the police salaries were substantially increased and in parity terms in Gibraltar well over and above the increases paid to other people under parity in other sectors and we were able to cushion off the 48 hours to 44 hours and then on the next review again it was reduced until they are now working 40 hours on norm, I do not know whether it applies to 39 or not, I am not quite sure, anyhow, they are working on a regular basis but of course the nature again of police duties and requirements make it necessary occasionally for overtime to be paid. One only has to read the English papers to know that we are fortunate in that we have not got problems of football matches where people go mad and they require considerable reinforcement from police from the next County or other kind of GND demonstrations and so on which require extra police to keep the peace and not just to stop trouble but there are occasions when a situation arises when police have to be called out and paid overtime and that of course is provided but they are now working on a regular basis insofar as the roster is concerned hence the need to get additional recruits as has been pointed out which will have to be reflected later on by a supplementary because it did not come in time to be put into the estimates. That is one area, there are other areas which I pointed out in my original speech about the postponement of the purchase of some kind of equipment, if it can wait. Sometimes it is a false economy to leave it for too late because it is much more expensive to replace it but naturally every department demands the ideal and it is for us to carry out the necessary cuts to be able to maintain a reasonable balance of maintaining essential services without frills. Unfortunately we are not in a position to provide frills but as I said in my original intervention, we have to make an effort all of us here and outside, make an effort in a



difficult time because we face difficulties and if we do not do that and try to produce reasonable results from our endeavours be it in employment, in industrial work, in non-industrial, then of course we would be heading for very serious trouble and people would not have the advantage that they have now certainly in the Government of Gibraltar, of their secure employment in reasonable terms and conditions that I think can stand the test of any comparison with any other modern society and for one thing you know that you can get paid at the end of the month and you are not owed arrears as one hears in so many other administrations. Thank you.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, I know Hon Members are eagerly awaiting my budget speech. The House will not be disappointed in what I have to say. Before I do so, however, there are two small points that I would wish to dispose off.

Let me first say that, as you so rightly observed yesterday, I have not spoken since the start of the Budget debate except to say 'No' at voting time. On this occasion, breaking with my normal practice of 11 years in the House, when I have always allowed myself to be interrupted, this time I do not propose to give way to any Hon Member, so no-one need try.

I am speaking on the General principles of the Appropriation Bill, as I have done every year except 1979. The Leader of the Opposition need not have worried about rounding up yesterday as I had no intention of speaking. But there is something I must clear up because it was quoted last night on television. The Hon Mr Isola said he would not speak before me since I attacked his colleagues and he had to follow me to defend them. Last year, Mr Speaker, I attacked no one and was followed by Mr Isola who mounted a virulent attack on me, coming to the conclusion that I was living in "cuckoo land", to such an extent that the Chief Minister, in his reply said: "I notice that the Hon Leader of the Opposition has taken double the time in dealing with Mr Bossano than he has in dealing with the estimates."

I trust GEC will quote me on this to put the record straight and let me add that any member of the public can read Hansard of March, 1982, and verify the facts for himself.

Let me say, that my analysis of the situation today is the same as last year, except that we are 12 months closer to disaster.

I stand today, Mr Speaker, by every word I said then and I do not intend to repeat any of them. My analysis then of the economic situation, rejected by the Opposition, described by the Chief Minister as the "worst possible scenario" is basically the picture described in less emotive language by the

Hon Financial and Development Secretary, in his presentation of the state of the nation at this budget time. I accept entirely his description of the situation in which Gibraltar finds itself. There is, however, one point with which I fundamentally disagree. It is for me a matter of policy, a political choice, which I will deal with later and have some harsh things to say about it.

I am sure the Hon Member will understand that my criticism will not be directed at him. Let me say at this juncture that I have the greatest possible respect for him professionally and as a man. Gibraltar is losing the best Financial Secretary it has had in the time I have been a Member of this House. It is also losing the shadow Financial Secretary, Mr Speaker. Since I spoke at my first budget in 1973 I have given the House my own independent assessment of the state of the economy and provided Members of the Opposition with the services of a Shadow Financial Secretary. In 10 years I have spent 25 hours analysing the economic structure of Gibraltar, my longest effort being some 4½ hrs on the impact of the Scamp Report in 1976. I no longer intend to do so. This year I will be giving a political reply to this budget. Perhaps the Chief Minister may not say hear, hear when he leads the political reply. Let me explain the difference. If there is an economic crisis we must ask ourselves certain political questions. What is the cause? Who is responsible? And what is the cure? The immediate conclusion I come to is that the budget measures announced will not cure the crisis described by the Financial Secretary so on that count I reject the budget and have voted against the Finance Bill. I will also vote against the Appropriation Bill and give additional reasons for both these decisions. I have in the past blamed the UK Government for the state of the economy and come under attack for doing so. If I accept the arguments of the Chief Minister in this respect, then I must hold him responsible for the state of the economy. In 1981 he said:-  
"I take particular satisfaction in being associated with a budget which reflects, against all the odds in a world recession, a prosperity in Gibraltar which could never have been foreseen when the UN were informed that Gibraltar could not live without Spain." and claimed this to be the result of Government financial and economic policy.  
Where are those sound policies today? He took the credit in 1981 for the sound economy he must take the blame now for the state of near collapse. Or was it as Mr Isola argued in 1981 and since then that the over-taxation introduced in 1980 had produced and continues to produce a revenue bonanza. I do not believe either of these explanations to be correct. The explanation is simply and easily accessible to anyone that understands the economic structure of Gibraltar. I fear that in spite of my explanations of the last ten years, Members still do not understand how the economy works to judge from the statements they continue to make at budget time.  
In 1980, Mr Speaker, after the last General Elections, against the background of the Lisbon Agreement signed in April, I gave broad political support to the Government's approach of "prudence", "cautiousness" and "consolidation". To such an extent that the Hon Major Peliza, accused me of behaving like a Financial Secretary instead of an Opposition

Member. His party said that Gibraltar was over-taxed and taxes should be reduced. In 1981 the Chief Minister again adopted the cautious prudence approach and Mr Isola again said we were over-taxed.

In 1982 and again this year, we have had the same basic statements from both sides. How can one adopt an unchanging attitude to deal with changing economic circumstances over a 4-year span?

Mr Restano said this year "the new estimated consolidated balance at 31 March, 1984, of £8.4m following taxation measures reflects a healthy position".

That is not the analysis of the Financial Secretary and is not mine, but I accept however we could both be wrong and Mr Restano could be right. I will therefore direct my criticism against the Government on the assumption that the position is not a healthy one. Let me first deal with the Dockyard closure and the GTC action. The selective industrial action of GTC has produced more publicity about the Dockyard closure in one week in the UK National press than we have had since the White Paper published in 1981. All of it sympathetic to our case.

There has been no hint Mr Speaker, of the UK papers portraying the action as pro-Spanish and anti-British. As the Chief Minister rightly pointed out, I would not allow my political views to colour the advice I give the Trade Union Movement. But the GSLP gives its full political support to the GTC. It endorses its action and congratulates workers warmly on their magnificent response. The action also enjoys the full support of the National Executive Committee of TGWU and the other UK based Unions. The Trade Unions in Gibraltar, Mr Speaker, will not however be influenced by the support or criticism of any political party locally. The Unions will do what they think is necessary to fight for their members' jobs.

However, I take the point made by the Chief Minister regarding the Partido Socialista de Gibraltar. As a politician, if I found the policies of my party supported by another party with whom there was no political affinity, I would have to re-examine those policies. I put it to him, therefore, that since Mr J E Triay and his so-called Party for the Autonomy of Gibraltar, were the first to criticise the selective action of GTC, his Government should immediately abandon their opposition to this and instead support the Trades Council as warmly as I do. Let me also ask him what else does he expect the Union to do other than take industrial action to desperately try and save the Dockyard at this late stage when they have been so badly let down by this House of Assembly and especially by him, the man entrusted by Gibraltar to be its political leader and be at the forefront of the closure fight?

In February 1982, we went to London with Mr Isola and presented a joint memorandum signed by GTC. What has happened since? Nothing! After our meeting in London I said that our request had been turned down and both he and Mr Isola disagreed with me. When we met the British/Gibraltar Group in Parliament, he stopped them taking action by saying we should wait till the tenders for the Dockyard were in. Then we had to wait till the consultants selected Appledore. Now we have to wait till Appledore makes its report. And he brings a budget to this

House that assumes 1000 people will be thrown out of work on 31 December this year. He cannot simply Mr Speaker, ask the Unions not to take action to block the closure, he must also say what he intends to do himself to achieve this end. As far as the GSLP is concerned, we have already stated on innumerable occasions our opposition to commercialisation. The Hon and Gallant Major Dellipiani put it across excellently, if I say so, yesterday in this House. When I heard him speaking I thought I was listening to the trade unionist Frank Dellipiani that I knew 20 years ago at Transport House. But what is the point Mr Speaker, of the issue being discussed in this House when all that is likely to happen is what took place in the last debate on the Dockyard when virtually every Member who spoke agreed with my amendment and then every Member voted against it? Let me therefore give one compelling reason why every Member should on this occasion be voting against the budget. It is the crucial element in the statement of the Financial Secretary. Yet all Members have spoken and not a single one has made a reference to it and the Financial Secretary himself today I think has highlighted it by bringing it to the forefront. The estimated balance of £8.4m in March 1984, which appears so healthy to Mr Restano, assumes that no tax will be paid by Dockyard workers for January, February and March 1984, because they will be unemployed. This is totally unacceptable to me and my party. The loss of revenue of £350,000 is what makes necessary the raising of car licences, petrol and water which offset by reductions in import duties give a net yield of £500,000 against this loss of income tax. And this policy was carried yesterday by 14 votes against one. The estimates of expenditure reflect cuts in essential overtime which mean that our streets are unswept at weekends and our incinerator choked with refuse, because of lack of money which again has been emphasised by the Chief Minister today. Yet, I am assured that the extra policemen to which he refers, the 14 new police recruits in employment and there is no provision in the Estimates for that and this House has not yet accepted that they are necessary. This is an additional reason, Mr Speaker, why I will also vote against the Bill. This House is not giving leadership. This House, Mr Speaker, like Nero, is fiddling whilst Gibraltar burns. The Chief Minister must not carry on with this budget. The Finance Bill passed yesterday by 14 votes in favour and mine against, to pay for the expenditure we are to approve today, is no answer to the crisis. If this is the best the House of Assembly can do, then the Chief Minister must call an immediate General Election. The GSLP will ask the people for a mandate to implement a different radical and necessary programme to salvage Gibraltar from the wreckage before it is too late.

HON MAJOR R J PELIZA:

Mr Speaker, my Hon Friend the Hon Mr Bossano referred to what I stated at the last meeting last year, that I had criticised the words used "cautious", "prudence" and "consolidation" theme of the budget of which I referred in fact earlier and I still stand by what I said. The same way that he stands today about what he said last year I, in fact, find

that it is confirmed because if as I said today the attitude adopted today should be the same as I suggested last year perhaps we would not find ourselves in the predicament, at least not in such a difficult situation as obviously we are in today and that is we should have shown boldness, initiative and enterprise last year particularly as I mentioned in the budget at the time because I think he was slightly out of reference, what he said I was referring mainly to tourism which is our second pillar of industry and which I think the Government failed dismally in doing anything drastic and effective last year and I say again, I repeat it again, the same attitude will not benefit at all in that obviously the greater income we bring from outside the healthier our economy will be. Therefore on that issue I think I differ very strongly with Mr Bossano and equally with the Government.

MR SPEAKER:

I understand that the Hon and Learned Mr Isola has had an urgent call he did make a signal that he will be straight back, I think it is only right that we should give him an opportunity to speak.

HON P J ISOLA:

Mr Speaker, I am grateful to the Hon Mr Bossano for making a contribution in this debate at least, if for no other reason, to give me personally the opportunity to express my own warm appreciation of the Hon Financial and Development Secretary for his great service to this House whilst he has been holding that post. I almost spoke before the Hon Mr Bossano yesterday because I did want to get in my own appreciation of what he had done for the House and this is about the only part of the Hon Member's speech with which I find myself in complete agreement. I got worried with the Hon Mr Bossano when he started saying we were also losing a shadow Financial and Development Secretary. Mr Speaker, I had vision of a resignation from the House and I was quickly totting up in my own mind should one contest the bye-election or not, will the Chief Minister do another one of these things that he did last year in 1979 towards the end and call a general election and what do we do about it and so forth but then I discovered to my relief that it was to be purely a political speech and not, unfortunately, his usual state of the economy speech which is always very interesting to hear, Mr Speaker, although today I thought for the first time we were to be given the political plan if not the economic plan. The Hon Member has always told us about his economic plan for Gibraltar but has never revealed it, today he said the Chief Minister should call a general election, I would not disagree with that, that the Chief Minister should call a general election and then his party would put up a radical programme but he did not give us any details about it or the general thrust of that programme. I would like to say that as far as we on this side of the House are concerned, we have put our own broad view of the situation and I thought that the Hon and Learned Chief Minister in his reply yesterday would have dealt in more detail with the Party statement made on behalf of the party

by the Hon Mr Gerald Nestano and not dismissed it so lightly as reading a report as if there was something wrong or something unusual in an Hon Member reading a speech when this is, as we all know, Mr Speaker, common practice on the Government benches. I think that the Hon Mr Bossano has put his finger today on one of the aspects of the budget and I am grateful to him for reminding the House of what we have said in the past on budgets which has been, Mr Speaker, that the severe taxation measures that were carried out by the Government in 1979/80 and 1980/81 have produced what we have called almost artificial healthy position, huge consolidated fund surpluses which have given a wrong impression of the state of the economy. Can I remind the Hon and Learned Chief Minister of what I said in the budget of 1981 in this respect and it is relevant to the remarks he has made about the Improvement and Development Fund and being able to put in £15m from this Consolidated Fund balance into the Improvement and Development Fund and the thrust of what I wish to say is that the reason or possibly the reason why he has to do that is because he has produced such healthy Consolidated Fund balances that the British Government has held back in granting development aid. I said in the budget in 1981, Mr Speaker, at page 157, "Mr Speaker, in my budgetary speech last year I also did say, when I predicted a surplus of £8m/£9m, I did say that that might well put the Government in an uncomfortable position when going to London for development aid. In fact, that has been echoed by my Hon and Learned Friend Mr Haynes in the close of his contribution on the budget. I think that is a factor that the Government ought to consider because if the Gibraltar Government situation is healthy, or appears to be healthy to somebody who looks at the estimates of revenue and expenditure, then it can be argued that the pledge of "support and sustain" has not got to be applied as strongly as if Gibraltar was in the 1979 position. I am not saying that the British Government is not going to sustain and support Gibraltar". And in 1982, that is in last year's budget, Mr Speaker, at page 314 I referred to the over taxation, I said: "The economy was nevertheless, through over-taxation, as we say here, was built up to the extent that the Financial and Development Secretary cannot hide his satisfaction at the surplus balance Gibraltar has and at the surplus we will have next year and I am not surprised although I do not agree in those circumstances that the British Government to a certain extent, especially with the way they are thinking not just with us but with their own people in England, say that in Gibraltar we are very well off". I do not agree with what the British Government say or do in these circumstances but I do say that unfortunately the fears that I expressed in 1981 have proved justified in that the British Government as we all know has dragged its feet quite considerably on the question of development aid as we know in contemporary times and we do know that the Gibraltar Government made its presentation, I think we were told in February, 1981, for the 1981/86 Development Programme and that really there was no movement from the British Government towards granting any development aid in Gibraltar until after the announcement of the Dockyard closure in November,

1981, and after a lot of pressure from Gibraltar a tranche of £4m was announced by the Chief Minister in the House. It is too late, Mr Speaker, it is too late to do anything about this obviously but I would ask the Hon and Learned Chief Minister and Hon Members on that side of the House to listen more attentively to what we say in these matters because we have been proved right so often on a lot of issues. So we have got £1½m to put into the Improvement and Development Fund but we have not got any money from the British Government and, Mr Speaker, we are heavily over-taxed in Gibraltar and the Government cannot or say they will not increase income tax allowances because they would rather use that money to fund housing and so forth which is a point but that is the position that we find ourselves and that, I am sure Hon Members will agree, is an unsatisfactory position. The Hon Mr Bossano has said that we are wrong in saying that on the face of it the position is healthy, on the fact of the estimates. He has not said why, he has just said it and I suppose as the shadow Financial and Development Secretary we should accept everything he says but we do not. The position does appear to be healthy on the face of it. We have serious problems ahead obviously but on the face of it, on the surplus that the Government expect to have at 31st March, 1984, of over £8m that is a reasonably healthy position. Unfortunately, there are two huge imponderables which are going to cause real problems for us in Gibraltar. One is the Dockyard closure and the other is the effect of the partial opening of the frontier. Mr Speaker, the Hon Mr Bossano did say how successful the blacking action had been and how well it had been reported on in the British press. Well, I must say that he has got to take some credit for that because from reading the papers I notice he has been working overtime with representatives of the British press to ensure that the picture put over in Britain is not too unfavourable and he succeeded, I think, if I may say so, his political neck was on the block and if he had not succeeded I think he would have found himself in serious trouble and I am glad he was successful on that. But we on this side of the House and to a certain extent the Government side, we do not agree on a policy of suicide and this to us seems to be the route that the Hon Mr Bossano is leading Gibraltar on and when he says that last year even the Chief Minister said I had spent more time on his speech than on Government speeches, he forgets to mention the reason for this and the main reason was, if I remember rightly, I have not checked on the debate, that he was almost advocating, Mr Speaker, civil disturbance, resistance to the British Government and eventually 'Brits get out' and that sort of line that he was taking in my view required serious answer and that is why I spent a lot of time on him. This year I do not have to do that in the first place he said very little and in the second place his speech is really asking for a general election in Gibraltar and that of course is not a matter on which we can do anything ourselves on this side of the House. No doubt the Hon and Learned Chief Minister when replying will give us the date of the general election. I say that, Mr Speaker, because after all we have always noticed great liaison on a great number of issues between the Government

benches and the Hon Mr Bossano and it may be that we shall hear that. As far as the position of the Gibraltar Trades Council is concerned, Mr Speaker, I think I ought to perhaps say what the position of my party is. We support entirely Trade Unions in Gibraltar in fighting for the aspirations of their members, this is elementary in a democracy and we also hope that they will be successful in achieving the aims of keeping the Dockyard open by legitimate means. We do not believe, Mr Speaker, that the Trade Unions can do it on their own, it is just not possible against the framework of the situation in Britain today. They require the fullest political support of the political parties in Gibraltar and to us it would give us great satisfaction if the Trades Council leadership were to take up what we have said time and time again that there is a need for the parties to get together and take action together and which we repeated, Mr Speaker, and my Hon Friend Mr Restano repeated in his speech yesterday. I have not had a single approach from the Gibraltar Trades Council leadership at any time on this matter, I do not know whether the Chief Minister has, probably he has I would imagine. I cannot escape the feeling in those circumstances, Mr Speaker, but there is some sort of political influence working on the Gibraltar Trades Council otherwise why would they object to get together with a party that has said time and time again that we want to keep the Dockyard open and I would like to say this on the Gibraltar Trades Council leadership. The press release they issued in which they attacked I think the Government party and ourselves for criticising them on the industrial action against the British fleet, they attacked me personally as leader of the party which I have no objection to but the press release that went out was a press release of the DPBG and had the full support of all my elected colleagues and my Committee. But they went for me and then they said that nobody had done anything to try and further the aims of keeping the Dockyard open and that, Mr Speaker, to the knowledge of the Hon Mr Bossano is a lie and the Trades Council leadership should be better informed of the situation. Perhaps the Hon Mr Bossano does not tell them what happens in this House because if he did they would have known that my Hon and Gallant Friend Major Peliza, a member of my party, has written I don't know how many hundreds of letters from the Prime Minister down in Britain, to Members of Parliament in England, setting out the terrible effects for Gibraltar of a Dockyard closure and expressing very serious doubts which he expressed in the debate yesterday, about the viability of a commercial Dockyard and he has spent, Mr Speaker, I hope not too much money but I think he has with first class post at 19p, and he has taken the trouble to attend the House of Commons, to meet Members and to act where it matters, whatever the Trades Council may think. Where it matters in the last resort, Mr Speaker, is in the Houses of Parliament, that is where it matters in the last resort and I am sorry and I am sad that on a matter that is so vital to Gibraltar I am sad to see the elected or is it elected, I do not know, the leadership of the Gibraltar Trades Council trying to play in effect party politics with the political parties in Gibraltar. It is sad to see that, Mr Speaker, and if we have to have it, well, we will have it, we shall go on with our struggle and we have indeed suggested that the time has come to make more concerted

moves in Parliament. The Hon Mr Bossano said it in his speech and we have suggested an all-party approach and I am sad and sorry to see that the Hon Mr Bossano in his comparatively short intervention did not agree along that line and continues and prefers to go along a road, Mr Speaker, that might succeed in the end or might bring utter disaster to Gibraltar because with our experience and with the experience of the GFC leadership and of their affiliated unions or their principals in England, they are well aware as we are unfortunately, of the problems that result from confrontations with the present British Government and it is a fact of life, Mr Speaker, which we in Gibraltar must recognise. The people in England and the most clear example, Mr Speaker, is that militant Trade Union leader Arthur Scargill of the National Union of Mine Workers, who has two or three times tried to confront the British Government and, by Jove, they do have the muscle, Mr Speaker, and he has not had support on it and I just cannot see, Mr Speaker, I wish I could see, I just cannot see how a role of industrial action in Gibraltar by 1,500 or 2,000 men can achieve what a much greater number of Trade Unions in England have failed to achieve, and that stop a guy from closing, because that is the issue, stop the Government from closing a Dockyard. Perhaps he will be successful. I notice, Mr Speaker, in The Times edition of Monday that the "Gibraltar Unions" - the headlines - "pin their hopes on Heseltine's letter". Well, I have not had the benefit of reading that letter but it was the Hon Mr Bossano who spoke to Mr Richard Wigg and there seems to be some hope in that letter of Mr Heseltine. Well, if that is so I am delighted, Mr Speaker, and if the Gibraltar Trades Council through their letter-writing to Mr Heseltine can achieve the worthy objective that the Dockyard should remain open we would be the first to congratulate them and support them but, Mr Speaker, I do not know whether that is so or it is not but I can only say what I said last year on behalf of my party, that we do not think that a road of desperation, a road of anti-British Government because it is Mrs Thatcher or whoever, a road to bring Gibraltar to a standstill where all the Ministry of Defence is concerned, we do not believe in that road, Mr Speaker, and we must be frank about it and say so. We think that the struggle is pretty desperate but we think also that the only way we can have success in this struggle at the end of the day is by having the support of the British Parliament and people and I am glad to see the Hon Mr Bossano place so much importance on the fact that the British press has not reacted too badly because that implies, Mr Speaker, recognition by the Hon Mr Bossano of the need to keep the British press supporting Gibraltar and of the need to keep Parliamentarians supporting Gibraltar and I agree with that entirely but the actions that the Trade Council take, if they wish to take any, must be judged against the benefit to Gibraltar, the benefit to the people of Gibraltar of such actions in achieving the objective which it intends. I have spent some time on this, Mr Speaker, because I know we will be told that we are anti-Union straightaway, that is the usual ploy of those who do not support my party, but we are not and I want to stress that, I want to stress that in what I am saying I am perfectly sincere and honest. We do wish them success but we do feel that other brains should be brought into the picture,

that political divisions should disappear on something that is so important and we are prepared, Mr Speaker, to play our full part in this process and we have said it and we have made offers on it. If they are not accepted, well, a general election will tell whether we were right or we were wrong in making these offers. Whilst on the Dockyard, Mr Speaker, we heard the Hon and Gallant Major Peliza tell us yesterday how he feels and how difficult commercialisation in his view is going to be. We know the opinion of the Hon Mr Bossano and we are getting through from the Government benches extreme pessimism on the matter as well. I agree with the Hon and Learned Chief Minister, whatever our own views may be on the matter, I agree that an alternative has to be looked at, I agree that you cannot expect the British Government to say: "Right, you will have a Dockyard in Gibraltar going for all your life and we will just have no work for it, we cannot put any work for it and we won't give it any work and we will keep it going". I agree that if there is no longer any need for Dockyard capacity in Gibraltar it is not unreasonable to ask us to look at alternatives, this I think is basic, but it must be against the background, Mr Speaker, that the Naval Dockyard is really the economic base of Gibraltar and therefore any alternative that is produced must substitute it. We have all expressed very serious doubts on both sides of the House. Of course, I don't know how the project study is being carried on or what is happening but obviously I am very concerned to hear a Government Minister say, as the Hon Major Dellipiani said, that he was satisfied that it was not a viable alternative, commercialisation, just say it like that, I don't know what information he has, I don't know whether he has got more information than we have, but I also heard the Financial and Development Secretary express grave doubts on the matter as well. Of course, when the project study report comes you could find the Gibraltar Government holding one view and the British Government holding another view and that is when we are going to be in trouble, Mr Speaker, and that is going to be the problem, I think it is going to be a big problem. But one thing I do say, that these words of warning coming from the Government benches, I will for one moment much as I value his opinion discard my Hon and Gallant Major for one moment, but these views coming from the Government benches to me emphasise the need to start the process of informing our friends in the British/Gibraltar Group in Parliament as soon as possible. To me it emphasises the need for that and to get as much factual information to them of the position as to show them that the Opposition to the Naval closure in Gibraltar does not arise from anti-Thatcherism, if I may call it that, but it arises from the genuine fears of the people of Gibraltar for their economic wellbeing in the future and I think, and I would ask the Hon and Learned Chief Minister to think along these lines and I would also ask the Hon Mr Bossano because he is a very important factor in this matter, because although he tells us that his political party is one thing and his trade unionism is another, it is almost always impossible to distinguish and obviously he has great weight in these matters because when the Trades Council was invited to television it was the Hon Mr Bossano who went, it wasn't the

other people there, I never see anybody else except in meetings, it is always the Hon Mr Bossano. We have him in the House as the leader of the Gibraltar Socialist Labour Party and I think that he has to be prepared to take some responsibility in this and not just go along his own road and expect everybody to agree with him because I think the matter is coming to a crunch and I think there is need to have in London elected leaders of Gibraltar who are respected in Parliament, who are known by Members of Parliament and who carry a lot of weight in Parliament in these matters. It is possible for the GLP/AACR and the DPBG to go on a delegation to Parliament on our own, it is possible, and go on with it, but it is obviously much more desirable that it should be all the political parties engaging in this campaign and I would ask the Hon Mr Bossano to reflect on these matters and to consider whether the interests of the people he represents both in his political party and in the Trade Union Movement would not best be served by seeking an all-party approach on this very, very difficult issue that faces Gibraltar today. Mr Speaker, the other point I wished to make was of course the question of the partial opening of the frontier. I agree with my Hon and Learned Friend Mr Haynes that in economic terms we feel that a full opening of the frontier would be of great benefit to Gibraltar and we feel, Mr Speaker, that probably more in the shorter term than in the longer term although I know there is difference of opinion on that and we do know, Mr Speaker, that the partial opening of the frontier is in economic terms an entirely different matter, it is not good and it is going to lead us into serious problems within a year if something is not done about it. Quite what you do, Mr Speaker, to either have the frontier closed or fully opened, quite what you do I am not sure myself, I'll be perfectly frank. I do think that the options open to the Government of positive measures are limited but we do feel strongly that the Government should take advantage of the current feeling in Gibraltar, I feel, mainly brought about by the visit of the British Fleet to Gibraltar which we all welcomed, every single person in Gibraltar welcomed, has brought about I think, I believe, more pride to the Gibraltarians, I think people think lots of things now and I think this is the time, Mr Speaker, to take measures but positive measures, Mr Speaker. One of them we said already, and that is the advertising of Spanish products, of Spanish car park space in Malaga and so forth, of Gibraltar being used, Mr Speaker, really to further the interests of investment in Spain. It doesn't matter whether that interest is promoted by a Gibraltar firm or by any other firm, it doesn't matter one bit, Mr Speaker. I have looked at the estimates of expenditure on the GEC vote and I think the cut is marginal, it is £584,000 plus £140,000, I think from estimates, which makes it £720,000 as against last year, if Hon Members will bear with me, as against last year a revised estimate of £753,000 but an approved estimate of £730,000 so it is £580,000, £680,000, £720,000, Mr Speaker, just £10,000 less in the estimates and we have had that in lots of other Government departments, I mean there is no reason why GEC should be free from the cuts of expenditure that have been carried out by the Government. So, really, Mr Speaker, to our way of thinking a £10,000

benefit in a £49m budget in return for having in our homes every night, most of the nights programme how don't catch an aeroplane in Gibraltar why not hop into your car in La Linea and take it to Malaga airport and park your car there, they say that for Malaga people but it is also for Gibraltar people. Buy your things at the Continente, if you need glasses or you need specialists go to Malaga, Marbella, you are all going to Spain and so forth and principally, Mr Speaker, the way people are being asked to invest in land in Spain and in housing, that is a very big part of the programme. And how can the Government, Mr Speaker, have any credibility in its policy of appealing for restraint to people in their expenditure in Spain when a heavily subsidised Government Corporation is promoting Spain for all it is worth. And this, to me, is the problem. They say GEC should be independent, we all agree it should be independent but GEC is subject to directions from the Governor-in-Council on matters of public interest and I would say that this is a matter of great public interest, Mr Speaker, and it has to be said and I do not accept this reply, this hasty reply from the General Manager of GEC calculated to reach me just before I got up. I cannot accept that GEC should be used for the benefit of people in Spain. If they want to advertise Spanish products like Rolls Royce, well, there is Spanish National television, pay a little more. If there is a need, and this would have to be shown, Mr Speaker, for additional subsidy as a result of carrying out that policy, we would go along with that but the need has to be established, Mr Speaker, as well and that of course we leave to our Hon Friend whom we have praised so much, the Financial and Development Secretary. But I think, Mr Speaker, it is important and that is why I have brought it in the context of positive measures, that was one. Other positive measures that we are having consultation about. We have throughout, Mr Speaker, said since all this started that there was a need to make Gibraltar more competitive, there was a need to reduce duties and I notice that the Government have paid some attention to that but certainly not as much as we would have liked and by looking at the figures the reductions in import duties the Government is putting at risk £203,000 on all those items that they have given us but in tobacco it is £360,000, tobacco and cigarettes. Mr Speaker, I believe, although we supported it, I believe that a reduction from 16% to 12% is so marginal that I do not think there is going to be much effect but I do agree the reduction on jewellery and perfumery from 25% to 12% is significant. We would have liked to have seen more reductions, more reductions and in areas such as clothing and shoes, in areas such as cosmetics and toiletries which I believe are popular as well. I accept that that might have been a larger chunk. I think the Honourable Mr Perez said that we don't want to gamble but, Mr Speaker, when you are assessing a situation perhaps gambling is not the elegant word, the elegant word is a calculated risk and calculated risks, Mr Speaker, this Government must take. And what is the aim of that calculated risk? The aim of that calculated risk, in my view, is to take advantage of the general feeling now coming up in Gibraltar, the general feeling that we must try and do something about the situation. It is rather like the

much maligned Mrs Margaret Thatcher has been doing in England, buy British, buy British and people in England are buying British but the goods that they buy British must be competitive otherwise they don't buy British. Fair enough, we all accept that, but that is what we want to get people to start thinking about, that things are cheaper in Gibraltar, have become cheaper as a result of positive Government measures and co-operation of the trade. We are told of this computer game of £4.50 or £7.50 that has gone up to £12.00 and a lot of importance seems to have been put on that and my Honourable and Gallant Friend Major Peliza gallantly tried to explain the reasons for it, but I would like in simple terms, Mr Speaker, to think also of other reasons. I think that in a position of trade it is rather like in aviation, Mr Speaker, they charge what the market will bear. There seems to be a free enterprise principle and if in fact because of Gibraltar people spending in Spain and because of Spaniards not being allowed to take stuff back to Spain, it is found that a particular item is going out and that the margin between that item in Gibraltar and Spain is very large and they reckon commercially that they can take an increase, I will not say that it is not profiteering but I will say and I don't know of anybody who does this and I don't know who is doing it or not, but I will say this that if that may help to meet the wages bill, the rates bill, the electricity bill and the rent bill and to that extent the airlines do exactly the same thing, Mr Speaker. When you hear of all these airlines that are trying to help Gibraltar and my Honourable Friend the Minister for Tourism telling us all that Air Europe was going to do for Gibraltar. If you look at the judgement of the CAA you find that their viability study depended on the elimination of Exchange Travel as a charter operator and it also depended on them getting 100 seats for each of their aircraft from Exchange Travel, passing on the risk, and then the other 30 seats charging whatever the market would bear which is what the scheduled operation is to a great extent. I don't think we should go too much on that I think we want to have the overall policy of making Gibraltar more competitive and I think in that case, in that sort of situation, Mr Speaker, and against that background, I think import duties do play rather a very important part and I think the Government should consider at an early stage making more cuts in import duties to make Gibraltar more competitive. And at the same time, Mr Speaker, I cannot impress enough upon the Government the other problem that they are faced with and that is the question of public expenditure and cutting public expenditure. It sounds a very harsh thing to say and a very harsh thing to do and nobody wants the earnings of anybody to go down if they can possibly help it. Nobody wants unemployment but it is the duty of the Government to support as much as possible the working people in a realistic and sensible way. I see the huge problems ahead, Mr Speaker, if the Dockyard closes, we all know them and we all know the pressures there will be on the Government as the largest employer outside the Ministry of Defence in Gibraltar to take on more workers, to take on more staff. Now if that is not properly managed, Mr Speaker, if the trade union leadership which is terribly important in

this situation doesn't take a very responsible and realistic attitude on the matter and doesn't cooperate fully, all that will happen is that the Government will take on additional workforce of one sort or another to try and ease the problems that are coming from the Dockyard and then find itself in a still worse position a year later. And the message has to be, Mr Speaker, cutting public expenditure, getting Gibraltar more competitive and cutting public expenditure and being done in a way that harms least but has to be done. The days of bonanzas are over unless, Mr Speaker, we have another miracle, the Dockyard stays open, the frontier opens fully and we are all back to our old days. Then it doesn't matter so much but now it does, Mr Speaker, and it is going to be long process. The Honourable Minister for Public Works referred to the fact that of 500 people in his department, 500 are not doing overtime and the other 400 are. I know that it is inevitable you can't help it, but there you've got two nations within a department in the sense that somebody is earning more than others, far more, he is talking of 89 hours being worked by some people. I ask you, Mr Speaker, can anybody be productive for 89 hours? There is something wrong somewhere but I think it needs cooperation....

HON M K FEATHERSTONE:

Mr Speaker, can I just explain it is not that they work 89 hours, they get paid 89 hours. Their actual working may be 65 but as some of it is paid at time and a half and double time their pay packet shows 89 hours pay.

HON P J ISOLA:

Oh, I see, thank you. But even 69 hours, Mr Speaker, is pretty heavy going. I know that trade unionists have to defend the people in each department. If the dustmen are threatened he can go to the Government and say: "Alright, you are quite right", and tell the dustmen; "Look, Johnny Smith in that department is only getting so much". I know that that is not the normal way trade unions work, obviously, they are paid to protect the interests of their members. But I think that in the present situation of Gibraltar the trade union movement also have to take a broad view on the situation and has to understand the fact and the problems that we are creating in Gibraltar for ourselves. We know the differential between the public sector and the private sector. There is a differential in industrial earnings of 20% and in non-industrial earnings it is 30% and I ask, is that fair? I personally think it isn't. Can the private sector be forced to have parity with the public sector? I think the trade unions must realise that they can't otherwise they would have had industrial action in the private sector. The reality of the matter is that they can't so are we going to go for a policy that keeps on widening these differentials? My Honourable Friend Mr Restano in his contribution showed the wide difference in earnings within Government departments by non-industrials. My Honourable Friend Mr Bosseno had mentioned the Police, they are one, Customs, Fire Services, and other departments earning £2000 and £3000 a year less average earnings. I don't

know how that occurs, Mr Speaker, what I do know is that there is a need if we are going to keep the economy on a level there is a need, Mr Speaker, for cost consciousness, productivity and streamlining within the Government service and I can see that the unions have an important part to play in this role and it has to be a constructive role. Let us suppose that the Ministry of Defence has to be brought to a halt for one reason or another, that is a matter of trade union policy but please do not bring the Gibraltar Government to a halt as well. Let us be constructive, I am not saying that they are, what I am talking now is of a constructive approach to Government expenditure both by the Government and by the unions. Mr Speaker, in the frontier situation of making Gibraltar more competitive I would like to remind the Government that they themselves have a part to play in the cost of living. Rates in the private sector have gone up 20%, that puts costs up. Water is going up 10% and there is another thing 20% rents, but that is not due until next year. But rates and water 20% up on rates, Mr Speaker, that is what it is working out in private residential accommodation, in fact, it is just under 20%. This affects costs. If wages, Mr Speaker, are going up around 5% and last year it was around 7%, Government must surely ensure that its own increases in expenditure that it charges the public whether it is through electricity, through water, through telephones, through any other services are kept within that same sort of limits because you must look at the expenditure and I must mention, as my Hon Friend has already mentioned and other friends have mentioned in this side of the House, the Electricity Undertaking problem. Gibraltar cannot afford the luxury of the Generating Station and what it is costing us. I notice in the Estimates of Expenditure, Mr Speaker, that there is a drop of £300,000 or £200,000 on that vote but if one examines it the drop is only because fuel is expected to be £500,000, I am talking in very broad terms, £500,000 less this year. This is what brings the estimates down but everything else is up in that Department. Mr Speaker, we are very worried and I think that the Government should come out a bit more and give us more information, I think the public should have more information. We were going to have one engine at Waterport, right, and that was 5 megawatts what was required, then there was an option in the contract for a second one and the Government take that option. In the short space, Mr Speaker, of eight or nine months, Government have put in a development request for a third engine. We are talking of a lot of millions of pounds here. We ask, what is the real reason for this, is it really the perfectly good idea which we do not object to, of concentrating power generation in one place? That was a good idea, Mr Speaker, two years ago and three years ago and four years ago. Why has it only become a good idea at the end of 1982 or in the middle of 1982? These are very big projects and we have got this running expenditure of trying to sort out we do not know what, management industrial relations in that Generating Station, trying to sort it out we have an expenditure known to us of £18,000 a week. That is over £900,000 a year on one Government department, Mr Speaker. Isn't there a case for management and union to become jointly more responsible as far as the people of

Gibraltar are concerned? I don't forget when we last intervened in the Steering Committee I don't forget the very unusual response of a Steering Committee where you have got the head of the Electricity Department and all those Civil Servants coming out with a press release against the DPBG. There was a precedent, I think, with the Civil Service Association and the Chamber of Commerce, the very unusual thing of Management and Unions getting together to attack the leading party in opposition but they cannot get together to solve the problems of the Generating Station and the public of Gibraltar have to pay and pay and pay and have power cuts and everything else under the sun. If there is not going to be cost consciousness on the part of the Government, if there is not going to be a real attempt to grapple with expenditure, if Government doesn't give a real lead then, Mr Speaker, how can you expect the rest of the population to follow. How can they expect traders to cut their profits if Government doesn't cut its expenditure and increases and, Mr Speaker, in that connection the water subsidy to hotels comes into play. I do not accept what the Minister for Tourism has said that the problem of bringing tourism to Gibraltar is air seats, I don't accept that. I have been in this game of air communications far too long to accept that. I believe that the reason why tourism in Gibraltar and I don't want to talk for my Honourable and Gallant Friend, there are two main reasons in my view. One is the product in Gibraltar and the other, I think, is what the tour operator charges for a holiday. I think that ought to be looked into. Not so much air fee, what the tour operator charges for a holiday. The Government can do nothing about it and I don't think they should but I think the elements are not necessarily the air fare and the hotel. From what I hear, I may be wrong, the hotel and the element in the air fare aren't too bad. Mr Speaker, as far as the Air Europe application is concerned I have read with interest the judgement of the Civil Aviation Authority and I must say without revealing any secrets that the doubts that I expressed about that application have in fact been, I don't like it but they have been vindicated by the Civil Aviation Authority. It seems that the main thrust, what they were saying, Mr Speaker, to Gibraltar is: "What you need is a balanced service between scheduled operations and charter operations because what you need is the package market, the cheaper air fares". I think it became quite clear that in their view and in the view of Air Europe that the Air Europe viability depended on the elimination of Exchange Travel, that is virtually what was going to happen. So we are going to have all scheduled operators, no charter operations for Gibraltar and then is when the fares go up. The only reason the fares came down in Gibraltar is because there were charter operations and I have always maintained that we have to keep a balance between charter and scheduled, that ensures competition, not necessarily between scheduled and scheduled and the Aviation Authority again on the evidence of Air Europe which said that if they didn't get the business from Exchange Travel or the charter operations continued as at present in Gibraltar, it would be a disaster for the three scheduled airlines incurring massive losses and what happens in that situation, Mr Speaker, is very simple, one drops out or two drop out



or three drop out and where there is less than they get you. It is a difficult problem. I have great sympathy with Air Europe, I have great sympathy with everybody who promotes getting more seats to Gibraltar but I am afraid, Mr Speaker, the Government has to project a sensible approach in this. When one talks of load factors, of break even, for those scheduled airlines to break even and this, incidentally, was common ground between Air Europe, British Airways and GB Airways, you do not often get everybody agreeing. The break even load factor is 65% full, that is to break even load factor and that is for paying passengers and here, Mr Speaker, may I just put one aside. Could I appeal to the Minister for Tourism to agree with the Airlines how you assess the number of people on a plane because unless you do that the Government will always be in argument with the airlines because they assess it on the fare paying passengers, the Government assesses it, the Tourist Office assesses it on the number of people who travel, it does not take account of the passengers travelling free of charge but it is important to have that figure. Even if you do not accept it it is important to have the fare paying and the non-paying passengers even though the Government may pay when you put in non-fare paying you are leaving out fare paying passengers, I accept that argument, but one must have it.

HON H J ZAMMITT:

Mr Speaker, I agree with the Hon and Learned Leader of the Opposition but what the Hon and Learned Leader must accept is the fact that our statistics are worked on people that arrive in Gibraltar off an aircraft excluding, of course, the crew. The fact that GB, BA or Exchange Travel want to give away thirty tickets, ten tickets, two tickets, or whatever tickets, really is not the concern of the Gibraltar Tourist Office because if that were the case then we could easily find, and I doubt it, hypothetically that 50% of the plane which is preventing other people from coming is being used by either staff that have as we all know certain perks within the airline, or by journalists or other friends of airlines and that would very badly affect the tourist trade if the plane were to come full up with non-paying passengers. But I take the point of view, it is a very difficult one and we cannot be asking everybody coming off the plane: "Did you pay? Were you invited? or "What did you pay?". That is the problem which was reflected in the argument at the CAA, the ambiguity between our statistics which incidentally, I should point out, are not Tourist Office statistics but they are official Government statistics obtained by the Statistician's Department.

HON P J ISOLA:

I am grateful to the Minister and I appreciate the point he is making. The only thing is that the Civil Aviation Authority does take account of what the fare paying passengers and.....

MR SPEAKER:

We are getting a bit too involved.

HON P J ISOLA:

If I may just finish it, before accepting increases does look at who has paid and who does not and I think it would be useful to try and have that information for the Government. Mr Speaker, as far as load factors are concerned, unfortunately because of the market to Gibraltar an airline will not be making money unless it has got an 80% load factor, reasonable money, I would have thought, but anyway that is neither here nor there. The reason I have mentioned this, Mr Speaker, is that if we should not hide from the reality of the situation that if we are to get people coming to Gibraltar, a lot of importance has to be attached to the product and that is Gibraltar and we welcome very much the provision for a Military Museum and the provisions for the historical side of Gibraltar which we think will be very helpful. Mr Speaker, as far as hotels are concerned I think it is common ground that they are all doing not too well and I think the question of water is important and we believe, on this side of the House, that the cost of water to the hotels should be at the same rate as the secondary rate to consumers of 40p, the secondary rate that we are going to now, and that if Government wants prompt payment there should be a reduction on that. The reason we say that, Mr Speaker, is because it is unfortunately impossible to tell a tourist staying in an hotel in Gibraltar: "You can only have one bath a day", because then nobody will come to Gibraltar and I think from what I hear and from what I see, that there is a need to help the tourist industry but the product, the tourist industry, and I won't say anything more about that, Mr Speaker, as my Hon and Gallant Friend has a lot to say on that matter: To sum up, Mr Speaker, because I would have regaled you with a much longer address yesterday if my Hon Friend Mr Bossano had preceded me, I would have gone through everything that has been said on this side of the House and highlighted a lot of other things but I think it would not be playing cricket if I did that having regard to the fact that I did not take my time. Our general comment therefore on the budget, Mr Speaker, is that we feel that the Government has not gone far enough, has fallen between two stools, has tried to be too prudent on one side, has not taken the calculated risks, if I may use those words, that might have been taken at this stage having regard to the Consolidated Fund balance that there will be. But having said all that, Mr Speaker, we on this side of the House are very aware of the very serious problems facing Gibraltar and one of the reasons we have voted for the Finance Bill and we will vote for this Bill is, I think, the need there is at this time to try and show the people of Gibraltar that we are, within the reasonable limits of political differences and so forth, that we are trying to pull together to get Gibraltar over the crisis that we are facing and we feel that if we do pull together and if the British

Government, and they are crucial in this, and the British Government stand by their pledges to Gibraltar, we feel that we can do it but it is going to be a hard struggle. Thank you, Mr Speaker.

MR SPEAKER:

If there are no other contributors I will call on the Hon and Learned Chief Minister to exercise his right to reply.

HON CHIEF MINISTER:

Mr Speaker, I am sorry that the audience, or part of the audience that the Hon Mr Bossano gathered here to hear his wise words are not here to hear me say how disappointed I have been at his performance today and I will deal with part of what he said in the first place. I say disappointed because normally he delivers a reasonably balanced speech, whether you agree with him or not, and makes some interesting remarks on the estimates. Indeed, because of the squabble yesterday about who was to speak last and he did not speak, I have seen him next door sitting full of reports and papers, writing and studying whilst listening to everybody and in fact I thought we might have been here now still listening to his normal examination of the estimates. Instead of that he has thought fit to come and make a political diatribe and speech, accuse everybody and whether he is outside or not he is certainly not available here to hear one's reply. On the political issue I will leave it at that because that is a matter which is not under debate now but I will say a few things that seemed to be relevant to the matter. As the Leader of the Opposition has rightly said, he did express satisfaction at the fact that the blacking action had drawn the attention of the British press like nothing else had done. That of course means that he is concerned about what the British press may say and he felt that it had had a favourable result. Well, that also is questionable to some extent. It did get publicity and there is a theory that all publicity is good whether the publicity is adverse or in favour. On the other hand, there is a more sober approach to the matter that publicity to be good should be good and that is to say that it should be in favour of the subject mentioned but the Hon Mr Bossano mentioned the coverage that the press had had and he did not refer to the fact that the Telegraph and, indeed, The Times, I have the Telegraph cutting which did not beneficially refer to the action because in the Daily Telegraph of the 16th April, Tim Brown, the correspondent in Madrid who was in Gibraltar, stated under a heading called 'Gibraltar blacking of ships ends' - "the industrial action ended with a note of apology sent to the 3,000 officers and ratings aboard the warships from Gibraltar's Trades Council which ordered the action that caused intense embarrassment and anger in the colony's Government. Mr Joe Bossano, head of the Gibraltar Socialist Labour Party and Branch Officer of the Transport and General Workers Union, issued a statement and requested it should be sent to all ships". There was a slight mixture of the position of

Mr Bossano in that the statement in fact was by the Gibraltar Trades Council and not by Mr Bossano himself but it seems to me that if the matter has been highlighted to some extent in the press, as he claims, it has not been highlighted entirely in a favourable light because it draws attention to the apology it is interpreted as an apology by the Trades Council for the inconvenience caused. Well, there it is for what it is worth but, as I say, it was very convenient to dispose of the whole of the Budget by taking a negative attitude and by not dealing with the Budget itself as we normally are favoured with as a self-appointed Shadow Financial and Development Secretary. Perhaps if he applies for the job when my Hon Friend leaves we might consider him if he wanted to join the ranks of the civil service but then, of course, he would not be able to carry out his politics, he would have to be impartial, something which I do not think is in his nature. Dealing with the longer intervention of the Leader of the Opposition, I would like to deal with one or two points. I do not think, with respect, that when I referred to the report I was in any way trying to deprecate or under-estimate the contribution but it is published as DPBG party statement, Budget 1983, April 18th, and I think it is fair to say and I made no objection to the fact that it was read after all, these are important matters, this is a considered view and I made no objection but this, I think, is a report. It did not say budget speech of the deputy leader or what have you, it just said DPBG Party statement. I think it is fair to call it a report and I did not deal with that in detail and I gave the reasons for it because it is a cumulative report on what has been said many years before and if I were to take the complete line that Mr Bossano has taken this year to say: "I say nothing because if you read my Hansard of last year you have got it all there", and I just said the same. I did a little more than that, I went on to deal with the new aspect of the matter in the report and I answered them as best I could in respect of the new matters that were raised there. The Leader of the Opposition said: "I have not had a GTC approach as the Chief Minister has had". Well I think I made no apologies in this respect for having said that we do not want a row between the Government and the Trade Unions. I am approached from time to time by the Trades Council and I see them, those officers of their headquarters who come to Gibraltar, there were two recently, one from the CPISA and the other one from the IPCS who come to consider the matter. They normally ask to see me and I devote as much time as is necessary to see them, to explain the Government position, to listen to their point of view and to keep them informed of what the Government is doing so that in that respect in this question of the Dockyard there has been close consultation. I called them all when the study was started and I asked them that they should withhold judgement on the question of the commercialisation. When I mean judgement I do not mean interim judgement, we all make interim judgements not final judgement on whether they would or would not consider the matter favourably until the report was available and amongst those whom I saw are members of the Trades Council and the reaction was in every way

reasonable in the sense that they said they could hardly say no to something they did not know. They could hardly say no without looking at it and I think that is the attitude and for that reason despite the fact that whether one agrees with it or not they do what they think is right in defence of their rights, of the union, whether their tactics are the ones that one would like or one would not like, that is a matter of opinion, we live in a free society and the Trade Unions are entitled to do what they think best. I did make a mild appeal in my original statement yesterday or the day before about the fact that in our view, taking industrial action before judgement is delivered on the viability of the Dockyard or not is not productive but that is our view and we have to explain it. If they do it, it is their privilege to do it. What we cannot do is tell them; "Don't do this and don't do that", because I think the reaction is worse, the reaction is: "Well, we are our own masters, we do what we like and we have to do it", That is why perhaps the approach to the Trade Union Movement, naturally, the political philosophy that I think divides mainly the main opposition and the Government is reflected in that, in that we do not believe that you can do more than persuade unions to do things rather than tell them that they are acting against the national interest other than when it is absolutely necessary if that is something that is going to produce results. That is an answer to the question by the Leader of the Opposition about an approach. The approach is always there and in fact it is not always a one-way approach it is sometimes, as in the case of the original proposals when we called the Trades Council and I have no quarrel with the manner in which they listen to matters when the Government puts matters to them. Whether they take any notice of them or not is a matter for them but I would like to say that the relations are not unfriendly, they are friendly relations in cases where sometimes there may be conflict, I think that is certainly up to the Press Release on the reaction to which the Leader of the Opposition has referred, I think the Trades Council has never put any blame on the Gibraltar Government for the situation regarding the closure of the Dockyard. Despite the attacks of the Hon Member this morning we have done perhaps more than he may know, about trying to keep Dockyard open. We may not have had demonstrations, we may not have had a kind of public statement but I can assure Hon Members, generally, and Gibraltar as a whole, that our efforts to try and keep that Dockyard open have been kept going at the very highest level and let me say that they have always been listened to, whether they listen to us or not depends again on the final outcome of the matter. We have continuously maintained the view, we have not done it cosmetically for the purpose if there were a resolution here or a resolution there, it is ingrained in every report and in fact it reflects because the Financial Secretary does not deal with politics but he has to reflect the directive and I think there is a reference in his speech about the fact that the Government has always opposed the closure of the Dockyard and we precede every consideration, every approach to the consideration of the commercialisation

and so on with that premise, we can do nothing but that. I think the Hon Leader of the Opposition said that the GTC was playing party politics. As far as we are concerned except for that statement and I have replied to the allegations made in particular against me in that statement that we had done nothing for a year, I have replied to that allegation but other than that I have not received any, or rather, whether they are politically orientated one way or the other, certainly we have received no indication other than of course the natural position of the Hon Mr Bossano whose opposition to the Government and to all other politicians except himself in office is blatant and common, this is why he is sitting where he is despite the fact that occasionally he is accused by the other Members to be on this side. Sometimes I wish he were, sometimes I am happy he is not. The point made by the Leader of the Opposition about public expenditure of course is the theme of the whole of our budget this year of the nature of our cuts and let me say that in addition to the fact that we have imposed very severe cuts on proposals for expenditure by departments, we are also looking at present expenditure and we have now got ideas about taking steps for an examination internally but by people who can well gauge the extent to which departments are properly manned or over-manned if necessary. I am talking principally in the administration which I think is where most of the thrust of the Leader of the Opposition was directing his attention. Well, there came the question of the frontier and the need for the full opening, of course, but that is not in our hands and that is why yesterday I referred to the rather naive statement made by Mr Haynes about a bloody nose and so on, about getting the frontier opened with a bloody nose. Well, I do not know who is going to give the blow and who is going to have the bloody nose but so far the theme is played not here but in Madrid and therefore for the time being I think we have to live with the situation following the somewhat hysterical reaction to the Fleet's visit to Gibraltar which we all welcomed. One matter which has been raised by the Leader of the Opposition is about this question of advertising Spanish products on GBC. Let me say straight-away that GBC suffered such a cut in their proposed estimates that I have received a very long letter from the Chairman pointing out the areas in which they would have to cut the present services of GBC if they are to take the very, very substantial cut of about 20% in their estimates that we have told them that no provision is being made, that they have to suffer that cut and maybe as a result of that we shall have to suffer some re-appraisal, as is natural, in GBC.

HON A J CANEPA:

Look what happened with Crown Court this week, we only got the last episode.

HON CHIEF MINISTER:

I have no time to look at Crown Court, is it anything to do with GBC?

HON A J CANEPA:

Instead of three programmes of Crown Court we got the third one.

HON CHIEF MINISTER:

Let me say quite clearly that the first reaction and the one that worries me more is the abolition of extended winter weekend TV as soon as present commitments expire and quite a number of other reduction in services that are expected. We will have discussions about that but in that connection though I did notice that the Hon Member is prepared to support funds to substitute the amount of money that may be spent in pushing Spanish advertisements which I have already asked, I have not got it, but I have already asked what proportion it is and certainly I will let Members know.

HON P J ISOLA:

May I interrupt? It is a pity that the information could not be as quickly produced as the letter to me.

HON CHIEF MINISTER:

Well, that is a matter for them. I asked for that I think informally, precisely talking about this, either Thursday or Friday I do not remember, and I have not received it but whether they answer questions quickly or not in other matters is a matter for them and that of course brings me to the question of GBC's independence. It is all very well to say we all agree that it should be independent and then try and find fault with everything GBC does and trying to say, assuming in the remote chance of their being in office, doing something different, whether that would not be a continuous interference in the independence of GBC. With regard to the question of directions I did say in my earlier intervention at some stage that directions are not easily tampered with, in fact, we are now having some suggestion which were put by GBC and having been cleared are now going to be added which adds I think to the efficiency particularly on political broadcasts and so on though I see also that one of the

possible cuts that there may be will be in the advance recording of party political broadcasts but that would be very difficult because,

(a) there would be a free for all, and

(b) there will be no way of judging the time limit.

I am sure that that will not suffer in the way it is indicated here because of the cost of recording political broadcasts. Having regard to the rush there is for political broadcasts I do not think that that would be very much. There is one area in the GBC proposals in which we may be able to help and that is instead of paying the subsidy by the month, advancing some element of cash within the subsidy approved which gives them a little more elbow room in their dealings and making contracts on a basis that may prove more productive. Anyhow, I will pursue the matter and I hope that it is not necessary to have a change in the Directions for this purpose that would be an indication that a modus vivendi cannot be found and I have said before that I myself did not like some of the advertisements, or rather the extent of the advertisement in proportion to the whole but I am told that the advertisement is something like 7% of the total so it cannot be very much, we have to look at that.

HON P J ISOLA:

Does that include radio and television because it just cannot be 7% of the total advertising, that is just not possible, 70% perhaps we would accept but not 7%.

HON CHIEF MINISTER:

70%?

HON P J ISOLA

70% of the total advertising at night, yes. I am not so sure about the radio, if it is the total that is another matter but on television it cannot be 7%.

HON CHIEF MINISTER:

Is there nothing in that letter that the Hon Member received about that at all, I have not got it to hand?

HON P J ISOLA:

Yes, they say Spanish advertising amounts to about 7% of all advertising of GBC, that must include radio.

HON CHIEF MINISTER:

Well, you have got it from the Managing Director, I was just remembering because I read a copy of that letter.

HON P J ISOLA:

But we cannot accept that, we see it ourselves every night, how can it be 7%?

HON CHIEF MINISTER:

What I am saying is that I shall ask for particulars to satisfy ourselves that it is only 7% because if it is 7% then we are not dealing with a very considerable amount of money because the amount of advertisement is unfortunately not as high as should be because like in many other places there is a depression and that is reflected in the amount of money that traders have for advertisements and that is reflected in GBC so that what I was saying is that I did read somewhere that it was 7% and I am glad that that is confirmed that that is where I got it from. Anyhow, the point is taken about pursuing this matter. I understand the unpleasantness about having that and in any case insofar as choice is concerned anybody who wants advertisements from Spain can always turn to the other channel but then of course that does not produce any revenue. Anyhow, Mr Speaker, I think I have dealt with the matters that have been raised by the two speakers, generally. Unfortunately there wasn't much more that I could say about what Mr Bossano said because he has completely and utterly, as you would say, Mr Speaker, disappointed me in the brevity and fierceness of his unwarranted attack and intervention.

MR SPEAKER:

I will now call on the Hon Financial and Development Secretary to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I think there are one or two points that I should answer that were raised in the contribution by the Hon and

Learned Leader of the Opposition. First of all, the question that as our Consolidated Fund was so high this was why HMG was holding back on development aid. Well, I know that this has been said before and I think I can assure the House most solemnly that I do not think that this is the case. They were holding back from giving us development aid because our per capita national income was high and they considered that we did not need aid and we had to fight hard to get it and subsequently it was of course linked to the Dockyard closure, how much they were going to have to pay if they were going to subsidise the commercial activity at the Dockyard. In fact, it was HMG who pushed this Government before I came on the question of raising rents and taxation as their condition for giving further aid. On the Waterport, why electricity now, why not before? Well, the money was not available, that is the reason, and I can assure the Hon and Learned Leader of the Opposition that in my thinking we ought to get out of King's Bastion as quickly as possible and release a first class development site and get on to the Waterport and the only thing that has held me back whilst I have been here has been lack of cash. On the reductions in import duty, alright, I would have liked to have slashed import duties too but one has to be prudent and in the projected financial position as I saw it then we had to move cautiously. If we find that the losses are not as much as we expected then we can move cautiously forward again but unlike the Hon and Gallant Major Peliza, I am an infantryman not a gunner and I like one foot firmly on the ground before I push the other one forward. A technical point - cosmetics are at 12% already so they are down. I do not think that if I would stay here as Financial and Development Secretary for the next ten years I should ever be able to agree with the Members on the other side on what is the right size of the Consolidated Fund. It is not healthy at £8m when one comes to think that we have arrears of £4m. Alright, we are chipping away at those to bring them down as much as possible but it is also in deficit because of the £3m being used from the Consolidated Fund to get off the ground development projects so therefore, effectively, you are well down below your £8m. Increases in water rates kept to the same percentage increase as wages, if I may use the word in no pejorative sense, it might be superficially attractive but it is not really a rational basis because there is a difference in money terms. A 5% increase in average earnings gives the average household some £5 a week extra, say, £3.50 net. If water charges go up by 5% the effect is some 5p to 7p a week. I think that those are all the technical points on which I wish to comment, Mr Speaker. I commend the Bill to the House.

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

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

The following Hon Member voted against:

The Hon J Bossano

The Bill was read a second time.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I beg to move that the Committee Stage and Third Reading be taken during this meeting, today, if necessary.

This was agreed to.

The House recessed at 12.45 pm

The House resumed at 3.20 pm

#### COMMITTEE STAGE

The Hon the Financial and Development Secretary proposed that the House should resolve itself into Committee to consider the Appropriation (1983/84) Bill 1983, and the Finance Bill, 1983, clause by clause.

This was agreed to and the House went into Committee.

#### THE APPROPRIATION (1983/84) BILL, 1983

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

#### The Schedule

#### Head 1 Audit

Personal Emoluments was agreed to.

#### Other Charges

HON G T RESTANO:

Last year I did ask for breakdowns of telephone expenses in the different departments and the Audit then I was told was £160 for the year and this year I notice it is £1,600.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The figure of £160 was the rental for the telephones that they had but of course we could not on a single exchange in the Secretariat distinguish the number of calls going through but now the Audit have moved to other premises they are getting their calls monitored. The addition would be for the actual calls that they make.

HON G T RESTANO:

Do I expect then that in the Secretariat telephone vote that there will be that much of a reduction, about £1,000?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The figure would have been higher than it is if the Audit had still been there because we are now paying for local charges. I have no need to remind the Honourable Member of that.

Other Charges were agreed to.

Head 2 Customs

Personal Emoluments

HON J BOSSANO:

Mr Speaker, what I wanted to ask on Customs was the Establishment includes the people who were taken on temporarily originally...

HON A J CANEPA:

We are wondering on this side of the House whether having regard to the fact that he has voted against everything he has any right to ask questions?

HON J BOSSANO:

I am voting against the general principles. The 82 in the Establishment, Mr Speaker, includes I assume the extra officers that were taken for frontier duties, does it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker.

HON J BOSSANO:

In fact, this is a matter which is at the moment awaiting an answer from the Government. Is the Honourable Member aware that in fact the officers concerned have been in employment for over a year and they have not yet been officially told that they are permanent? I am telling the Honourable Member because in fact it is an area that if it is not necessary to have any dispute with the people concerned then I think they ought to be told that they are now included in the permanent establishment.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I will note what the Honourable Member has said.

HON W T SCOTT:

Mr Speaker, the cost both in salaries, overtime and allowances of manning the frontier, presumably that is included under personal emoluments?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes Sir.

HON W T SCOTT:

What does the frontier manning consist of as far as personal emoluments is concerned, can we have that extracted?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry, Mr Speaker, I was given the figures this morning as I thought this might be asked. Customs; the salaries, overtime and other costs £217,000 plus on costs and administration charges which would include pension commitment comes to £325,500 and the uniforms about £23,000, altogether £347,600.

HON P J ISOLA:

The point we would like to raise, Mr Speaker, quite apart from the aspects of policy is in practical terms if Government were to say and some people might consider it not unreasonable for them to say that for example from 10 o'clock at night to 9 in the morning there will be no customs facilities at the frontier and give everybody due warning and so forth and that therefore anybody coming through would have to come through with nothing literally, what sort of saving would there be then? In other words the customs would not be manned and there would just be an immigration control.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I should think it would probably reduce the cost by a quarter but it is not a situation I can envisage not merely because we would not allow persons to bring in articles but it is not merely for customed goods that we are searching for, it would be for weapons or drugs, the search goes on for those and we would have to have customs officers there. Even if we said that no goods on which customs duty is liable to be paid could come through one would still have to do the checks for drugs

and for prohibited imports.

HON P J ISOLA:

Could that not be done by the police for a limited period of time?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That is Customs, not a Police matter.

HON P J ISOLA:

What I am saying in practical terms is could it not be adapted to effect a saving?

HON J BOSSANO:

What the Police can do is laid down in the Police Ordinance and if it is not in the Ordinance then the policeman cannot be required to do it.

HON P J ISOLA:

But there would not be much difficulty in obtaining an amendment to the Ordinance, surely, to provide for a particular situation.

MR SPEAKER:

Let us not get involved with the viability.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The point has been raised Mr Chairman, as to how would you stop people bringing in articles that are forbidden to be brought into the territory if you have not got customs officers there, I mean, you could not. To what extent police with their present manpower would be able to stop them, I think it would cause great difficulty.

HON P J ISOLA:

We are making the point because we think that, there is no question about it, it is a waste of public funds manning the frontier fully between, say, midnight and 9 in the morning

when probably less people come through it than the people on duty. We know that this has been a subject of controversy in this House but we would have thought that there was a good case for having more economic manning of that frontier during the night.

HON G T RESTANO:

Mr Chairman, what is the degree of control that the customs exercise when yachts arrive in Gibraltar, in other words, for the searching of yachts and what they import?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yachts have to report to the Yacht Reporting Centre and there is a percentage check on yachts. An Officer of the yacht is required to disembark, present his papers and state whether he has got any dutiable goods on board and either, as with the red and green channels, the statement is accepted or in the percentage case a customs officer goes on board the yacht and checks it.

HON G T RESTANO:

Is the Government satisfied that all the yachts that come in go to this reception point and is it not aware that my understanding of it is that quite a few yachts, particularly in the summer, do not go to the reception area but go to other areas in Gibraltar?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is only yachts, using a technical term that have been to a foreign port having gone out of Gibraltar that are required to report to the Yacht Reporting Station under the present regulations, so that if the yachts go out of Gibraltar even if it goes outside Gibraltar's territorial waters, but does not touch at, say, a Spanish or Moroccan port and then comes back in, there is no requirement to report to the Reporting Station, but yachts in-coming from Spain or from Morocco there is a check from the lookout in the Port Department and there is liaison between the Customs and the lookout and I am told that on certain occasions yachts have gone straight to the Camber, for example, instead of going to the Yacht Reporting Station and they have found a Customs Officer there waiting for them.



HON G T RESTANO:

Is there any way, Mr Chairman, where one can verify or monitor whether a yacht which has left Gibraltar has in fact gone to a foreign port?

MR SPEAKER:

With due respect we are not going to go into these details on this item. Whether yachts report or not has nothing to do with the actual estimates that we are discussing.

HON G T RESTANO:

I think that part of the debate, Mr Chairman, has been the frontier situation and what measures might be imposed on people at the frontier.

MR SPEAKER:

No, with due respect, what has been said about the frontier is if there is no facility for the introduction of goods within certain hours then the vote would be reduced and to that extent I have allowed it but to go into the procedures as to how yachts report is not in any manner or form relevant to the vote. It is not in order.

HON G T RESTANO:

But can I not ask how can it be verified whether yachts that have left Gibraltar have gone into a foreign port?

MR SPEAKER:

Other than by the fact that they have reported, by visual control. It is as simple as that, you have been given the answer. Let us not argue. Will you ask the question?

HON G T RESTANO:

Can the Government verify whether a yacht that leaves Gibraltar has in fact gone to a foreign port or stayed in Gibraltar waters?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, if it goes to a foreign port it would have to have its documents stamped and you would be able to tell by an examination of the documents.

HON P J ISOLA:

The overtime and allowances represents 33 $\frac{1}{4}$ % of the salary. What are the reasons for this?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Basically, I gave the answer to the Honourable Mr Scott who was asking about the cost at the earlier part of the meeting, the double time paid on Saturdays and Sundays and holidays and the shift allowances. The answer will be found in the Hansard of the questions at the first meeting of this House. I gave a detailed breakdown as to how they were made up.

HON A T LODDO:

Mr Chairman, can I ask whether these same customs controls also apply to yachts coming into the different clubs, the Yacht Club, Calpe Rowing Club and Mediterranean Rowing Club?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, any yacht coming into Gibraltar from foreign ports must report to the Yacht Reporting Station and if it does not it is in breach of the regulations.

HON A T LODDO:

I appreciate that, Mr Chairman, that it is in breach but is there any tabs kept on these yachts that come straight to the club?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I said a little earlier that the look-out reports to the Customs Officers if they see a vessel going directly into a club or the Camber, or it doesn't matter where, and the Customs Officer have reason to suspect it has been to a foreign port, they will go round and check it.

Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Mr Chairman, I just have one question on subhead 2 - General and Office expenses. I notice that between the actual expenditure of 1981/82 to the revised estimate 1982/83 there was a rise of about 100% and then we have another rise of 25% from the revised estimate. What is the reason for this rather high expenditure?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There are two major items actually. One is the rental and usage of a photo-copying machine and another high amount is a new telex, installation and usage and we require that for secure links for passing information direct from Customs to other Customs authorities where we are exchanging information.

HON G T RESTANO:

How is it then that, for example, in the telephone service which is Subhead 2, there is an increase from last year of 70%? I would have expected that if the telex expenses have been increased the telephone charges would have come down.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On telephones we are going to pay for local calls now.

HON G T RESTANO:

Yes, Sir, but of all the departments in Government the one which has increased most is the Customs Department which has had an increase of 70% which I would have thought would not have been so great if part of the increases in general office expenses had been on telex which is for outside communication which presumably before was used through the telephone service.

HON G T RESTANO:

No, Mr Speaker, previously they used either Secretariat or telexed from Cable and Wireless. This is putting in the machine so that we get security direct from our own Customs Headquarters through to the Customs Headquarters at various other international organisations of all countries. I do

not know whether to ask, Mr Chairman, on the telephone one now as we are on the subject or shall I leave it for later?

MR SPEAKER:

If it is related to General and Office Expenses, yes, if not let us wait until we get to the telephone.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There is another point, I have just been passed a note that the telephone increase also is due to the opening of Four Corners Station.

HON P J ISOLA:

Can I ask, why does the uniform vote drop £5,000 when the personnel has gone up? Are they sharing uniforms?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is part of the chopping that we did on the Department.

HON W T SCOTT:

There was a substantial drop between the approved in the revised wages and now there is another sharp rise. Can we have some explanation for that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is because of Four Corners. We have had cleaners there and there is the additional amount there.

HON W T SCOTT:

That explains the rise but not the fall between the approved and the revised.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We only had them for December, we did not have them from June as we were expecting.

HON G T RESTANO:

Would it be possible to have the figures of the number of employees under this Head broken down into the basic wage, the overtime and the allowances?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes. Do you want their names as well?

HON G T RESTANO:

That is up to the Honourable Member, if he wishes to give them he can give them.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Three cleaners, two part-time cleaners and a labourer. Cleaners get £74.05 a week, the labourer gets the same, the part-time cleaner gets £45.77 a week, and there is another part-time cleaner, I am sorry to say this seems to be discrimination to the lady who only gets £37.97 a week, probably she works less hours. Six of them get efficiency bonuses of £5.50 a week and then overtime, the total cost for Saturdays for cleaning is £592.80, for Sundays £790.40, and for 9 Public Holidays it is about £109/£110.20.

HON G T RESTANO:

Can the Honourable Member let me have the global sum which is what I asked him. How many in total and how much they earn in total and how much in overtime and allowances.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There are 6, including 2 part-timers. They earn in total with their efficiency bonus £24,846.65. The grand total, including overtime, is £26,339.95, and we have said, say, £26,340.

HON G T RESTANO:

Thank you.

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MR SPEAKER:

Any other questions on Other Charges? Mr Restano, you had something on telephones?

HON G T RESTANO:

I think it has been partly answered by the Honourable Member but I would have thought that on telephone charges 70% increase for one extra station at Waterport, does he not consider this to be rather high and would he not consider that it might be, and I said this right at the beginning, a good idea for cuts in telephone charges to be made throughout Government Departments?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Well, Mr Chairman, alright, it is my job to hold expenditure. Last year I issued quarterly warrants so that we could control their expenditure. This year we have been considering monthly warrants but I will give an undertaking that whilst I am here, and I am sure my successor will do the same, we will monitor the quarterly figures coming in from Customs to find out how it goes and how much is going into the local charges and how much into international charges. I will give that undertaking to the House.

Other Charges were agreed to.

#### Special Expenditure

HON W T SCOTT:

Mr Chairman, am I right in assuming that that £5,000 that appears under Special Equipment is there in case the Lisbon Agreement is implemented because I notice that a similar amount was not spent last year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, I do not think it has got anything to do with it, it is a reserved item on which I want to make quite sure that we have the funds to spend it before I decide to release it.

HON W T SCOTT:

I see, because I notice that last year we didn't spend something like £4,500.

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HON FINANCIAL AND DEVELOPMENT SECRETARY:

The question is that the Customs want to buy special equipment which will be necessary if we did have the frontier open and we have reserved this. Even if the border opens I am not quite certain we would buy it but it is there in case there is a proven need for it.

Special Expenditure was agreed to.

Head 3 - Education, Personal Emoluments

HON W T SCOTT:

Mr Chairman, I see that the temporary assistance element of the Personal Emoluments has risen very sharply, can we have an explanation on that?

MR SPEAKER:

It has gone up by £17,000.

HON W T SCOTT:

Mr Speaker, the rise is over 50% which seems quite remarkable.

Personal Emoluments was agreed to.

Other Charges

HON A T LODDO:

Subhead 2 - Cleaning and Incidental Expenses

I notice there is quite a substantial increase under this sub-head. Could I have an explanation?

HON MAJOR F J DELLIPIANI:

The explanation is that apart from the rise in cost of materials, we have far bigger schools now in service and we want to maintain it properly and we need the cleaning materials to maintain it properly.

HON A T LODDO:

Mr Chairman, but surely the size of the school is irrelevant,

it is a number of people, well, not totally irrelevant, but the number of people in the schools and I would think that a rise of this size should have to be looked into. Will the Minister agree that perhaps monitoring of cleaning materials, or a closer monitoring of cleaning materials is not called for?

HON MAJOR F J DELLIPIANI:

Mr Chairman, we are in fact keeping a close watch on cleaning materials. I do want to start on the right foot in respect of a brand new school to make sure that we have the materials and equipment to look after. In fact, I want far more money for cleaning expenses so there is already a measure of monitoring going on.

HON A T LODDO:

Mr Chairman, would the Minister not agree that perhaps in view of what he has just said he should have another look at the vote on books and equipment. I would think that the rate of inflation as it is now, fortunately only just about 5%, would warrant an increase in the vote on books and equipment. The Minister has just said that he would like to increase the amount spent on cleaning materials and equipment. Surely the equipment to the students is just as important if not more than the equipment for cleaning, considering that the Government has already intimated that some of the cleaning will be put out to tender?

HON MAJOR F J DELLIPIANI:

The problem, Sir, with books and equipment is that, as I said before, some items are not of a recurrent nature. We have been generous for the past 2 years and I want to make people aware that there is a bit of a crisis and that we should try and look after the equipment and look after our books, make people aware that we are taking measures to control the expenditure. Ideally I would like to have £½ million a year and buy a computer for every child.

HON A T LODDO:

I accept that, Mr Chairman, but I would have thought that ideally more typewriters are more important than more mops if we can make the mops last longer and not get squandered.

HON G T RESTANO:

Does not the Minister consider that £11,500 for telephone service is rather high and what control is there, if any, over the use of the telephone?

H ON MAJOR F J DELLIPIANI:

Mr Chairman, the Honourable Member should realise that there are, apart from the Department of Education premises itself where I have most of my clerical staff and educational advisers, I have 15 schools. I also have the Youth and Careers Office and the Clubs distributed all over Gibraltar so it is not a question of the Education Department only I am dealing with quite a lot of people and quite a lot of buildings. There is control in the sense that no-one can make a trunk call without the authority of the Director of Education.

HON G T RESTANO:

Yes, I appreciate that but now that we are paying local calls is there no control over those?

HON MAJOR F J DELLIPIANI:

Yes, there is control over that too. I have not got the details now but there is control and I think we are trying to introduce pay phones in the buildings.

HON P J ISOLA:

May I ask the Financial and Development Secretary what may be a very stupid question? We are charging for telephone calls locally and the telephone consumer is paying for all his calls but by making charges for the individual calls within the Government Service, local calls, we are really putting an additional burden on the tax-payer. Is there any particular reason why local telephone calls in Government Departments for which the general body of taxpayers is paying should be charged because what we are doing really, is paying twice.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The money is coming back. It has been taken out of the vote and then coming into receipts so it is a book transaction, really.

HON A T LODDO:

Mr Chairman, I notice that under 7 - Initial Teacher Training, we are down considerably. Could the Minister give an explanation?

HON MAJOR F J DELLIPIANI:

Yes, Sir. Initial Teacher Training, this is the old system we had before where we selected teachers and they did not come under scholarships. The new system, because we do not need so many teachers now, unless it is of a specialised nature, they come under scholarships and the £14,000 you see under Initial Teacher Training refer to 5 students who will be finishing this year under the old system and another one who will be finishing next year under the old system. In the new system, Teacher Training comes under Scholarships.

HON A T LODDO:

Mr Chairman, on Subhead 10, wages. Could I ask how much of this element is basic and how much is overtime?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

£408,000 is basic, £7,000 is overtime and £35,000 is allowances.

HON A T LODDO:

Mr Chairman, I am sorry I keep forgetting from year to year. Allowances, what do they actually refer to as opposed to overtime?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It could be on-call allowances, telephone allowances, special allowances for types of work which persons are doing, if it is rather dirty work they might get a dirty work allowance or what have you. There is a whole list of them.

HON P J ISOLA:

On wages, and does this apply to all departments. Is the reason for the difference between the approved estimates and the revised estimates that the increases have been reflected in the revised estimates because in estimating, there is a separate Head for the wages review but when we come to this

year is the reason for the difference between the approved estimates and the revised estimates the inclusion of the pay settlement or is it additional wages?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It would be the inclusion of the pay settlement and any sort of variation. In salaries you can get people changing in a post and one has got a higher or a lower salary, you get variations going up and down.

HON P J ISOLA:

But basically the pay settlements have been incorporated into the revised estimate?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON MAJOR F J DELLIPIANI

The Hon Mr Loddo asked about full-time and part-time. The charwomen are all part-timers and we have 116 part-timers. We have 20 school attendants who are full-timers. Class room aides are industrials.

HON A T LODDO:

Mr Chairman, I am quite happy to have the information later.

HON P J ISOLA:

May I ask the Financial and Development Secretary, would it be possible to circulate rather than ask every time we get to every Department, to circulate to us, in two or three days time, the break-down of the wages element in each Department?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I would be happy to do so, Mr Speaker. I have been provided by my staff with the wages and salaries bill for all employees for each department, number employed, the basic pay, the overtime, the allowances, and I have got it for industrials and I have got it for non-industrials. I would be happy to circulate that to Members. I have just got a note to tell me

that the main allowance is the efficiency bonus of £5.50 per week. I am not quite sure what you have to do to get that but after the encomiums that have been put onto the Financial Secretary during the last few days I am going to apply for it.

HON A T LODDO:

Mr Chairman, just one more question on wages. I notice that there are 116 part-time cleaners. Are these part-time cleaners actually engaged during the holiday period and are they paid, or are they off work during the holiday periods and consequently not paid?

HON MAJOR F J DELLIPIANI:

They are supposed to work during the holiday period.

HON A T LODDO:

Even though the school is closed and there are no children making use of the premises?

HON MAJOR F J DELLIPIANI:

They take their annual holidays during this period but they have to be back for two weeks or three weeks before the school opens so that they have a general clean-up of the whole school.

HON A T LODDO:

But they are not cleaning right through the holiday period.

HON MAJOR F J DELLIPIANI:

They take advantage of that for their holidays.

HON A T LODDO:

Mr Chairman, I notice the Adult Continuation Classes have gone down. Is it because there are less adults enrolling for these classes or is there any other explanation?

HON MAJOR F J DELLIPIANI

This is part of the cuts that I had to make. I am trying to

make some savings here more on the leisure classes than on the more educational adult classes. We have 12 dressmaking classes and lampshade making and pottery, and I have tried to save money in this thing. I think maybe this year, because of the border situation, we might not have so many people going to adult education classes.

HON A T LODDO:

Mr Chairman, the Financial Assistance to Youth and Cultural Activities, that has gone down by £2,500, perhaps the Minister would care to explain this.

HON MAJOR F J DELLIPIANI:

Again, in my overall estimates I had to decide where I had to cut which would least affect the educational value of schools. In this particular vote, usually in the past I have had £4,000 for cultural activities, things like the youth orchestra and photographic society, I have a committee and we meet and we distribute the money as sensibly as we can. I decided to go back from £6,000 which the Government had kindly raised from £4,000 to £6,000 rather than touch any other part of the educational system and have gone down to £4,000. It is not a very popular decision but I had to take that decision. For example, last year we bought a lot of equipment for St Jago's Fantasy Club where they have a lot of very expensive hi-fi equipment. This kind of thing does not recur every year. But let me assure you that since I have been involved in the Education Department, the Youth Careers part has increased both in staff and in money.

HON A T LODDO:

I thank the Minister for that but can I ask the Minister, when pruning as I realise he must do, would he not look into the possibility of pruning down on telephones where I think the.....

MR SPEAKER:

With respect, that has been done, the pruning has been done, it is reflected in the estimates, it is too late to say that.

HON A T LODDO:

I was just going to ask whether the Minister might not agree

with the Youth Clubs themselves that they could do without the telephone rather than without other equipment which they might find more essential and therefore save on the telephone altogether and not deprive the youth clubs of other equipment, which they might find more essential.

HON A T LODDO:

Mr Chairman, on subhead 17 - Education of Children outside Government Schools. Could I ask, and if the Minister has not got the information handy I am quite prepared to have it given to me later, how many of these are our own children and how much does it actually cost per head?

HON MAJOR F J DELLIPIANI:

It is very hard to distinguish our own children. The criteria that I have used in allowing children to go to the Services School which we have to pay for because they are Church of England, or Protestant etc, is that the parents must be paying taxpayers in Gibraltar, that is, resident in Gibraltar and paying taxes towards the Government of Gibraltar. The cost is £804 per child but in this vote there are also 3 children in special schools in England.

HON W T SCOTT:

On Educational Field Trips I notice a drop between £8,000 to £6,100 and now there is an increase. Can we have some assurance that these field trips do not include Spain?

HON MAJOR F J DELLIPIANI:

With me here, of course not.

HON W T SCOTT:

I am grateful for that.

HON A T LODDO:

Mr Chairman, I would like to go to Head 18. Rent of accommodation for Teachers. Are these all expatriate teachers or is there some local element?

HON MAJOR F J DELLIPIANI:

No, this unfortunately is that we still have not got our balance right on some of the specialised teaching that we require so we have to go to UK to bring contract teachers.

HON W T SCOTT:

Mr Chairman, one on that sub-heading, in fact. Can the Minister give us some indication as to the rents that the Government has to pay, on average, per week. I am trying to establish here whether there is any unscrupulous landlord that is perhaps over-charging for this.

HON MAJOR F J DELLIPIANI:

No such landlords.

HON A T LODDO:

In-Service Education and Development, I notice that there is an increase in the In-Service education element and I would like an explanation for this because I understood it was going to be far more economical to have the In-Service education done here.

HON MAJOR F J DELLIPIANI:

Yes, Sir, with pleasure. I am glad that Mr Loddo has given me the opportunity to highlight this. In actual fact this is to provide the tuition fees for the teacher to specialise in computer studies and the other one was for the educational psychologist.

HON A T LODDO:

Educational psychologist?

HON MAJOR F J DELLIPIANI:

Yes, because we want to localise that.

HON A J HAYNES:

The one we have been advocating on this side of the House?

HON MAJOR F J DELLIPIANI:

Mr Chairman, I think it would be dishonest of me if I did not make a short statement in respect of my department in certain heads where there does not appear to be any reduction but in actual fact there is a reduction. I would refer to sub-head 3 under Other Charges, where it says, 'Services'. In-Service there is the inclusion there of the transport element that we provide for children. I have had to rationalise the service that we provided for all the children in Gibraltar and I have brought it down and what we now give by way of cheque to parents is only 25% of the actual cost which includes all areas of Gibraltar, flat rate. I would also say that in consultation with all members, staff members, both industrial, clerical and teaching staff, I would want to go to the IRO on making savings in allowances and overtime etc, to really control expenditure as much as possible. I want to make sure there is no abuse in supply teaching, in supply cleaners, in allowances and all the rest. I do want to control the part of the education system which is not directly concerned with the actual physical teaching.

HON A J HAYNES:

Sir, the Minister said that part of Sub-Head 19, In-Service Education and Development includes funds for training an educational psychologist. Can he give more details as to what it is proposed this psychologist is going to do?

HON MAJOR F J DELLIPIANI:

I think I should clear the matter up for the Honourable and Learned Mr Haynes. We are talking of an educational psychologist. The first requirement for an educational psychologist is that he must be a teacher. It is really a teacher who will specialise in educational psychology. There are children in our schools which for some reason or other we do not know why they misbehave in such a way or why they behave as they do. Some cases are very apparent and you immediately say there is something wrong with this child and he goes to a special school which we have, St Martins School, but there are some very grey areas where only the expertise of somebody who has had some training can spot that the child has a slightly what we call educational sub-normality. The ordinary teacher might not be able to spot it and thinks the child is a troublemaker when really he might have a slight educational sub-normal problem, and here is where he will be able to guide the teacher, and say 'No, there is something



wrong with this child, this is what is wrong, this is the way to deal with him", and probably he will need extra remedial teaching etc.

Other Charges were agreed to.

Head 3 - Education was agreed to.

Head 4 - Electricity Undertaking - Personal Emoluments

HON G T RESTANO:

Mr Chairman, I notice that there has been an increase in overtime of about 40%. Can the Minister say what is the reason for this?

HON DR R G VALARINO:

Yes, Mr Chairman, the increase has been £18,000 compared to last year. The overtime involved the PTO III, the PTO IV, the draftsmen, the works supervisor, and the time-keepers plus a small token for the clerical administration. The increase really came as a result of last year where there was a tremendous amount of work. I must admit that the estimates were done prior to the introduction of the 39-hour week and before certain cuts were introduced. In this overtime vote the department may have over provided somewhat but this will be reflected in savings in the amount required to meet the pay review for 1983.

HON G T RESTANO:

The Minister said that this was for something which had already been done but here we are estimating for the year 1983/84 and secondly, I think I heard him say that he had over-provided. Can he confirm that?

HON DR R G VALARINO:

What I said is that we had over-provided for the coming year because of certain cuts which were introduced after the estimates were prepared. This will be reflected in the amount required to meet the pay review for 1983. Suppose that we over-provided by an amount of £10,000 or £15,000 and the pay review could be £80,000 this will be deducted from the pay review and we shall obtain less money from the pay review for the Electricity Undertaking and therefore the

money needed for the undertaking will be less.

HON G T RESTANO:

But, surely, Mr Chairman, any over-provision will have gone into salaries, not into overtime. Is there a need to over-provide? Is this what normally happens in Government Departments?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, if there is an over-provision here, and we would check it after the end of this meeting, I will reserve that amount so that it cannot be spent for anything, that is the best way to handle it. It is the first I have heard of it but if it has arisen then we will reserve it, it will not be spent.

HON G T RESTANO:

But, Mr Chairman, if there is over-provision would the Honourable Member not agree that that over-provision should have gone into salaries and not into overtime.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman Sir, it should not have gone anywhere.

HON G T RESTANO:

Perhaps the Minister can explain why he has made over-provision if it should not be done.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think the Minister's point, if I may speak for him, is that this provision was made before the cuts. When the cuts were made there was not a consequential adjustment on the overtime. This has now been thrown up since the estimates were printed, he has mentioned it, I will reserve it and the House can rest assured that it will not be spent.

HON G T RESTANO:

May I then know what is the accurate figure estimated for 1983/84 on overtime?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I, unfortunately, Sir, can give only the figures which I have got which we have taken from the estimates provided here. For non-industrials £65,000 is the amount.

HON G T RESTANO:

I know that £65,000 is what we have in front of us but if there has been an over-provision can I have the accurate estimate for overtime for next year.

HON DR R G VALARINO:

Mr Chairman, Sir, the provision for last year was £62,200 compared to £64,900 as an estimate for the coming year.

HON G T RESTANO:

I think I asked a very simple question. I asked about the £64,900, the Minister says that there had been an over-provision so that he expects it is less in the coming year, I am asking if there has been an over-provision how much has been over-provided, that is all, it is a very simple question.

HON DR R G VALARINO:

No, Mr Chairman, Sir, I said if there has been an over-provision, Sir, not that there has been an over-provision and the estimates for 1982/83 was £62,200. Our rough estimates for this year on estimates is somewhere in the region of about £55,000.

HON G T RESTANO:

Does that mean that the over-provision is about £10,000 a year?

HON DR R G VALARINO:

Yes, Sir.

HON G T RESTANO:

Is there any element in the non-industrial staff of the Department which is involved in the Steering Committee?

HON DR R G VALARINO:

No, Sir.

HON G T RESTANO:

Is the City Electrical Engineer not in the Steering Committee, does the Steering Committee not work during working hours and therefore, would not a proportion of his wages....

MR SPEAKER:

No, I will not allow that question.

HON G T RESTANO:

Are there no secretarial expenses out of the non-industrials vote for the Steering Committee?

MR SPEAKER:

You may ask, if you want to split hairs, whether there has been any increase in the salaries, overtime and allowances which have been voted now as a result of the fact that perhaps administrative services and the City Electrical Engineer's services are being used for the Steering Committee.

HON G T RESTANO:

Has there been any increase in wages or salaries or emoluments on account of the Steering Committee?

HON DR R G VALARINO:

No, Sir.

HON G T RESTANO:

Does that mean, Sir, that any members of the Steering Committee have dedicated a little less time to the department to the actual running.....

MR SPEAKER:

No, I will not allow that question.

HON P J ISOLA:

Mr Chairman, I notice that the Financial and Development Secretary in many departmental votes charges a fee for management by the Treasury or somebody else. Let me say that it is quite clear to us, it is a matter of common sense in all industrial relations that if a lot of departmental officers are bogged down doing a particular job, they are not able to spend the time, but I am not asking that question, the question I want to ask the Minister is can he tell us whether the deliberations of the Steering Committee, where personal emoluments is concerned with non-industrials, are there likely to be any repercussion on that vote, are we likely to have to make more provision in this vote as a result of the deliberations of the Steering Committee as far as Government knows, on the non-industrials, and could that be the reason why he has over-provided in over-time to the tune of £10,000.

HON DR R G VALARINO:

Sir, let me answer the last question first. I have not over-provided in overtime due to the suggestion by the Honourable Member but as to the first part of his question the answer is yes.

HON P J ISOLA:

So the Government could come back as a result of the deliberations of the Steering Committee.

MR SPEAKER:

That is right and that will be the time when all these questions can be asked.

HON P J ISOLA:

Well, we are not happy.

HON G T RESTANO:

On this side of the House we will be voting against the whole of the electricity vote.

MR SPEAKER:

We are now voting on the Personal Emoluments as you can vote against if you so wish.

On a vote being taken on Personal Emoluments the following Hon Members voted in favour.

The Hon A J Canepa  
The Hon F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir J Hassan  
The Hon J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon R J Wallace

The following Hon Members voted against.

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

The following Hon Members were absent from the Chamber.

The Hon I Abecasis  
The Hon J Bossano  
The Hon D Hull  
The Hon A T Loddo

Personal Emoluments was passed.

#### Other Charges

HON G T RESTANO:

Mr Chairman, first of all I would like to make a comparison between the wages at Kings Bastion and the wages at the Waterport Power Station, that is Subheads 2 and 6. I notice that last year the wages element at Kings Bastion was £588,000 and we are now being asked to agree to an estimate of £594,500, a slight increase, and then a further increase of £100,000 for the Waterport Power Station. Can the Minister explain why this is so?

MR SPEAKER:

I would not know but I would imagine that is a token vote.

HON G T RESTANO:

We have been told, Mr Chairman, that nothing can be done

because the Steering Committee has come to no agreement, how does the Government arrive at the figure of an extra £100,000, do they expect to employ more people?

MR SPEAKER:

For the purposes of providing for the opening of the Power Station during the course of the year.

HON G T RESTANO:

But normally a token vote, Mr Chairman, would be less than £100,000. I remember one year for one of the engines I think the token vote was £1,000.

MR SPEAKER:

At any rate, I must not answer questions and perhaps the Financial and Development Secretary will give you the answer.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, if you are expecting a large vote you then put in a large token vote and if the Honourable Member will address himself to last year's estimates, he will notice that under Waterport Power Station we had a similar provision of £100,000.

HON G T RESTANO:

Yes, but on what basis is £100,000 being put?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On the assumption that it will be a fairly high amount and that therefore to put £1,000 or £10,000, or £100 would be misleading. If you put in £100,000 it shows that we are expecting quite a substantial amount on that sub-head.

HON G T RESTANO:

In increased staff or in increased wages?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

In increased wages which will probably stem from an increase in the staffing level because you have got extra engines and extra equipment.

HON DR R G VALARINO:

Mr Chairman, Sir, could I mention that in the approved estimates 1982/83, the £100,000 that appears there should be two items further up and opposite to the wages section.

MR SPEAKER:

With respect to you, are you talking about the £100,000 which appears under sub-head 8?

HON DR R G VALARINO:

Under sub-head 8, yes, it should be under sub-head 6, beside the other £100,000, so that the increase is nil. It is a typographical error.

MR SPEAKER:

You are saying that there was already a token vote of £100,000 in 1982/83.

HON DR R G VALARINO:

Yes, in the wages.

HON G T RESTANO:

Can the Minister say what is the cost today of running the Waterport Power Station by Hawker-Siddeley.

MR SPEAKER:

No, unless it is reflected in Other Charges.

HON G T RESTANO:

Well, is it not, Mr Chairman, since we are going to be asked to pay £932,000 for fuel, and a token provision of £100,000 in wages.

MR SPEAKER:

You can ask for a justification for the expenditure of £932,000 for fuel, you can do that if you so wish. If there is no wage element, there is no wage element to discuss,

that is what I am saying.

HON G T RESTANO:

There is a very definite expenditure per week, because the Government has not yet taken over the Power Station.

MR SPEAKER:

Will you please point out to me the particular subhead where that expenditure is shown and if there is not one you might perhaps ask the Minister why there is not one.

HON G T RESTANO:

Could I ask where the expenditure for the running of the Power Station by Hawker-Siddeley is found in the estimates?

HON DR R G VALARINO:

Mr Chairman, Sir, the question asked by the Honourable Member regarding the Hawker-Siddeley payment, it will be met from the wages section which is sub-head 6.

MR SPEAKER:

What you are being told is that there is a token vote of £100,000, when the figures are quantified it will reflect instead of a token vote of £100,000 the true figure.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Until the end of February when we took over the Power Station, we took over the whole of the generation from the contractors, the cost of running it was charged to the project but once we have taken it over we could no longer charge it to the project. At the moment we are putting it down to an advance account until we know how much it is going to cost us in terms of Hawker-Siddeley running it until our own staff can take it over but once we know the exact cost I would create a new sub-head to show what that actual cost was for the year, deduct it from the £100,000 which is for wages which was to cover part of that and then we would need a supplementary when we know exactly what the wages are going to be in the Waterport. As well as a supplementary provision there will have to be a book adjustment if I think it is necessary for the House to know the exact cost, putting in a new sub-head there.

HON G T RESTANO:

I am grateful for that, Mr Chairman, can I now know how much it is costing us per week?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

£19,000 per week.

HON G T RESTANO:

Is this for one or both engines?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

For the stations.

HON G T RESTANO:

Does this mean that the Government has in fact accepted No.1 engine as being in a proper state to be taken over.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Not No.1, I understand.

HON G T RESTANO:

Not No.1. So it is £19,000 per week for one engine, for No.2 engine.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, it is £19,000 for the two engines, but technically No.1 has not yet been taken over. The £19,000 covers the actual running of them.

HON G T RESTANO:

Does that mean that the reliability period of No.1 engine has not been completed yet?

MR SPEAKER:

No, under no circumstances.

HON G T RESTANO:

Mr Chairman, this is going to cost Gibraltar a lot of money, surely we are entitled on this side of the House to ask questions on this very important matter.

MR SPEAKER:

No, with due respect to you. You can ask what the £19,000 are going for, but let us not get involved as to whether it is No.1 or No.2 engines or whether it is correct

HON G T RESTANO:

What I am trying to establish, Mr Chairman, is that if it is for the whole station and only a few weeks ago we were told it was £16,000, I notice there has been a rise of £3,000 in a matter of weeks, what I want to know and what I want to establish is that if No.1 engine which has not terminated its reliability period, does terminate the reliability period within the next few weeks, that it is not going to be, not £19,000 but £38,000 a week.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The position, Mr Chairman, is that contractually we should have taken over the engines as soon as they are ready to start their testing but because of the enquiry that was going on this was not possible and so we entered into a separate contract with Hawker-Siddeley to run these engines. The fact that one or another has or has not been taken over does not really affect the fact that they are running both engines under a separate contract for which at the moment we are paying £19,000 a week.

MR SPEAKER:

Am I right in saying that the token vote of £100,000 cannot be exceeded without the authority of the House, is that correct?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That is very true, Sir.

MR SPEAKER:

And therefore, if you want to exceed that vote you have got to come to the House and give explanations, and that is the time to ask these questions.

HON G T RESTANO:

How much of this £100,000 has been spent on this particular contract already because initially the gross cost was £13,000 a week and a few weeks ago it went up to £16,000 and today it is £19,000. Can we know how much of the £100,000 token vote has been used up in this particular contract?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I explained to the House that it is going into an Advance Account at the moment until we know exactly what the cost is of this contract with Hawker-Siddeley and then we will bring it back into the estimates.

HON G T RESTANO:

But can we know how much has been spent already on this?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Well, how many weeks since the end of February, 7 weeks, £140,000.

HON MAJOR R J PELIZA:

Is the Minister aware that if this goes on for 50 weeks it is going to cost this Government and Gibraltar nearly a million pounds and could the Minister say what he is doing to try and cut down the cost. Can he give us an idea for how long this is going to carry on.

HON DR R G VALARINO:

Mr Chairman, Sir, I do not like the word carry on. This will continue until the Steering Committee has finally decided on the manning of the Waterport Station.

MR SPEAKER:

Yes, that we already know. What you are being asked is have you got any idea when the Steering Committee will complete its work.

HON DR R G VALARINO:

It depends when the Steering Committee finishes its deliberations and decides on the posts. Mr Peliza said £100,000 and then corrected himself to £1,000.

MR SPEAKER:

No, he said one hundred million and then he corrected himself to one million.

HON DR R G VALARINO:

It shows that he has got no idea of what he is talking about.

MR SPEAKER:

No, order. Do you have any idea when the Steering Committee is going to finalise its work?

HON DR R G VALARINO:

Mr Chairman, the Steering Committee will finalise its work when it does finalise its work.

HON P J ISOLA:

Could I remind the Minister that when we had a bit of questioning on this in the March debate, the Minister expressed some confidence and some hope that the deliberations of the Steering Committee would be completed during the month of April. The Hansard will show this. Since we are on the 21st of April, it is very disturbing for us to hear from the Minister a statement that the Committee will give its conclusion when it reaches them.

MR SPEAKER:

You are asking whether the report is going to come within the stated time.

HON P J ISOLA:

We were told Mr Chairman, that during April, it was hoped, and I think it was in connection with Mr Edwards, that his services would probably not be required after the end of April and all we are asking is what has made the Minister change from a date in April to no date at all on the 20th of April. Has something gone wrong?

HON DR R G VALARINO:

Mr Speaker, in my original speech, I said that the work of the Steering Committee continues and progress was being maintained. The final manning levels and other related conditions have not been finalised and consequently it has not been possible to present a definite date as far as waterport Power Station wages are concerned. The problem is that the deliberations have slightly slowed down in the past few weeks and though it was my wish and I stated, as the Honourable Member can see in the Hansard, that I would expect an end by the end of April, this will take some weeks extra than the ones I mentioned during my contribution.

HON G T RESTANO:

Is there any reason why progress has slowed down in the last few weeks?

HON DR R G VALARINO:

Mr Speaker, Sir, progress has slowed down because of a number of factors. One is that, unfortunately, there is one meeting a week of the Steering Committee and at the same time several sub-committee meetings have been held. There is a lot of work being put into it and now that things are coming to a head we want to make sure that everything is alright and there is nothing that can go wrong before the department takes over Waterport so that we do not take Waterport Station over ahead of time.

HON P J ISOLA:

Ahead of time?

MR SPEAKER:

I am quite satisfied that we are not going to get much further on this item and that we are wasting the time of the House and

unless it is something different <sup>will</sup> I ~~not~~ allow any further questions on this item.

HON P J ISOLA:

Mr Chairman, looking at the fuel bill for Waterport, we are providing £932,000 for fuel for Waterport and only £768,000 for Kings Bastion. Am I right in thinking, that whatever the deliberations of the Steering Committee, at the end of the year the provision for wages for Kings Bastion will in fact be considerably less if, hopefully, staff has gone to Waterport Power Station. Or will we have despite a reduction of £1,200,000 for fuel in Kings Bastion, despite we have that reduction, there will in fact be no reduction on the wages side but what we will have is a much bigger bill at Waterport Power Station. I do not know whether the Minister gets my point?

HON DR R G VALARINO:

Yes, I get the point, Mr Chairman, of the Honourable Member. What he is trying to say is because there will be more fuel spent at Waterport, therefore more generation at Waterport, that the number of people there will increase and therefore subsequently the number at Kings Bastion will go down. I think this is what he has intimated, and he is correct.

HON G T RESTANO:

May I ask Mr Chairman, whether in the £100,000 token vote, that too will go towards the payment of the Chairman of the Steering Committee. Is that included there and if not where does it come in the estimates?

HON DR R G VALARINO:

That comes from a separate heading under the Treasury.

HON G T RESTANO:

I notice that this year on most of the heads of the departments, the electricity, water and telephone has been broken down into 2 separate sub-heads. I see telephones in this department but I do not see electricity or water. Where does that come in?

HON DR R G VALARINO:

Mr Chairman, Sir, the only help I can give to the Honourable Member is in Sub-Head 5 and 9, which are oil and water, with regard to the water and oil consumed in the station.

HON G T RESTANO:

Does the Department not charge itself for the electricity it uses in offices and buildings and so on because I notice that the Honourable Member's other Department, the Telephone Department, charges itself for telephones.

HON DR R G VALARINO:

Yes, Mr Chairman, the consumption of electricity which the Honourable Member refers to, is under Sub-Head 12 - Public Lighting, but it is certainly a very small item in that respect.

HON G T RESTANO:

There seems to be this year very great rationalisation throughout all the Government Departments on electricity and water on the one hand, telephones on the other and I notice that in this particular case Public Lighting has nothing to do with the electricity consumption of the department itself and its water consumption other than that for industrial use, producing electricity. I would have thought that perhaps we would have seen rationalisation in this department as well. Perhaps the Minister will explain why there has not been this rationalisation.

HON DR R G VALARINO:

As far as I know there is no charge for water and electricity within this department's vote.

HON G T RESTANO:

Sir, on sub-head 20, Maintenance and Running Expenses of Transport, can I ask the Minister whether log books are being used under the Maintenance and Running Expenses of Transport.

HON DR R G VALARINO:

Sir, this came up before in the Public Accounts Committee, if I remember rightly. I have no certain knowledge as to whether



log books are being maintained but what I shall do is that I shall find out and I shall inform the Honourable Member accordingly.

HON W T SCOTT:

There was a drop of almost 50% in the training of Staff and Apprentices. Would the Minister care to comment on that?

HON DR R G VALARINO:

There has been a decrease because we have decreased the general vote gradually, Sir, most of the votes will show a decrease. This is the main reason why there has been a decrease in this one.

HON W T SCOTT:

I just want a general explanation. I am not referring to this year, I am referring to between the approved and the estimated last year where last year when Government came to the House asking for £33,200, surely, they must have had some indication of how they were going to spend it. But in the end result, they spent somewhat less. They only spent £22,000 on training of Staff and Apprentices and that is the question that I am asking the Minister.

HON DR R G VALARINO:

I believe that the decrease was mainly because we did not take as many apprentices as we envisage to take this year.

HON W T SCOTT:

Distribution Service - Subhead 22. What has been spent this last year is very considerably less than that which was voted. Can we have some explanation on that, that was as a result of what? We voted £239,000 out of which only £98,000 was spent.

HON DR R G VALARINO:

Sir, last year we only spent £98,000 and this year we need £198,000. This is because the distribution service last year dealt mainly with works involving Waterport Power Station and a lot of their salaries came out of the Improvement and Development Fund, out of various small sub-heads in that region, not of the main sub-head which was Waterport.

HON W T SCOTT:

I would have thought, Mr Chairman, that this would have been envisaged at this time last year.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I wonder if I might just give a general note of explanation to the House on this. I found that over the past three to four years the Improvement and Development Fund was becoming cluttered with a lot of very small items of Improvement and not being kept for the major Improvement and Development of the Government stock and therefore, we decided that this year we would bring these smaller items into the body of the recurrent estimates where they really belong, leaving the Improvement and Development Fund for major projects and that is why in one or two heads the small items will be found to have been increased.

HON W T SCOTT:

I can accept that, Mr Chairman, but in fact he has hit on a sub-head that in the Improvement and Development Fund there is an item there I think it is something like £67,000 which is quite small for that Head and that is for the foundations of No.9 Engine.

HON DR R G VALARINO:

Mr Chairman, Sir, this is for this year. I am talking about last year's expenditure in the Improvement and Development Fund.

MR SPEAKER:

The Minister is right. You have asked why, if the approved estimates is £239,000, the revised estimates was only £98,000. The difference will be shown in last year's Improvement and Development Fund and not in this year's.

HON W T SCOTT:

I agree, Mr Chairman, and we have just had an explanation from the Honourable Financial and Development Secretary. I am trying to find out why with what the Financial Secretary has said, there should be an item of £67,000 in the IDF which obviously when we do come to that Fund I will ask

questions on it. But there is an inconsistency there as far as I am concerned because otherwise that £67,000 would appear under Head 4 this year.

HON DR R G VALARINO:

Mr Speaker, Sir, I did mention that in my speech as well. That £67,000 is reserved, this is with regard to the foundation of No.9 at Kings Bastion, because it was intended to rebuild this engine in order to replace badly worn jointing but it was reserved because the project application had been submitted to ODA for a third engine. Once we know the outcome of the submission to ODA, then Council will take a decision on whether the reserved money of £67,000 will be spent or not in rehabilitating Engine No.9.

HON G T RESTANO:

Subhead 24. Electricity. Areas supplied by Ministry of Defence. With two new engines at Waterport why should there be a need for provision to pay the MOD £12,400 in the coming year?

HON DR R G VALARINO:

Mr Chairman, Sir, there are certain areas within Gibraltar which are supplied by the Ministry of Defence the same as we supply the Ministry of Defence and then that is taken away from the inter-connector. This is the area supplied by the Ministry of Defence to the Government of Gibraltar. This is North Gorge, Lower Bruce's Farm, Devil's Gap and Camp Bay. These areas are supplied to us. These are bills to the Accountant General, therefore we do not see this money.

On a vote being taken on Other Charges the following Hon Members voted in favour.

The Hon A J Canepa  
The Hon F J Delliplani  
The Hon M K Featherstone  
The Hon Sir J Hassan  
The Hon J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon R J Wallace

The following Hon Members voted against.

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

The following Hon Members were absent from the Chamber.

The Hon I Abecasis  
The Hon D Hull

Other Charges was passed.

#### Special Expenditure

HON G T RESTANO:

Mr Chairman, am I correct in assuming that the totals for the temporary generating plant of £40,000 in the coming year, £205,800 revised estimates last year, and £245,580 the previous year, is that the total cost of the temporary generating plant? Is that the entire and the total cost amounting to almost £½ million?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON P J ISOLA:

Could I ask why during the year 1982/83 there was a need to purchase £20,000 from the inter-services generating station? Is that the same thing as what my Honourable friend raised?

HON DR R G VALARINO:

Yes, Sir.

On a vote being taken on Special Expenditure the following Hon Members voted in favour.

The Hon A J Canepa  
The Hon F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir J Hassan  
The Hon J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon R J Wallace

The following Hon Members voted against.

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

The following Hon Members were absent from the Chamber.

The Hon I Abecasis  
The Hon D Hull

Special Expenditure was passed.

Head 4 was accordingly passed.

Head 5 - Fire Service - Personal Emoluments

HON G T RESTANO:

I would like to know if there is anything in the wages and salaries which will be contributive to the introduction, if any, of fire extinguishers throughout the private sector.

HON DR R G VALARINO:

No, Sir, no provision.

HON G T RESTANO:

It will be done with existing staff or it won't be done?

MR SPEAKER:

It is not going to be done, I would imagine.

HON G T RESTANO:

I would like to know if these fire extinguishers will be introduced or if they are introduced, the existing staff will be able to cope with that introduction.

HON DR R G VALARINO:

Sir, the existing staff will be able to cope with the introduction of the fire extinguishers in Government dwellings.

HON G T RESTANO:

Can I ask then what will be the responsibilities of the existing staff that has got to cope with the situation. Does that mean that they will go into the whole of the private sector dwellings to find out where fire extinguishers need to be placed and so on?

HON DR R G VALARINO:

Mr Chairman, Sir, the Hon Member is now talking about the private sector. Those regulations have not been passed, as he asked the Attorney General in the previous meeting of the House. He is now talking about the public sector, and as far as the public sector.....

HON G T RESTANO:

No, I am not talking about the public sector, I am talking about the private sector. That is what the law was brought to this House for.

HON DR R G VALARINO:

Mr Speaker, Sir, there is nothing here about the private sector and he has been told by the Attorney General that regulations have not yet been enforced as far as the public sector are concerned, so how can he bring up this point.

HON G T RESTANO:

Wasn't I then right in saying, in my statement earlier on....

MR SPEAKER:

What are you asking?

HON G T RESTANO:

That we will not see the implementation of that particular law within the next 12 months.

MR SPEAKER:

Well, fair enough, but that is not a question, let us leave it at that.

HON DR R G VALARINO:

Mr Speaker, Sir, the Honourable Member should ask what he wants to ask and not go round the mulberry bush.

Personal Emoluments was agreed to.

Other Charges

HON P J ISOLA:

Mr Speaker, Subhead 7. On the replacement and maintenance of fire fighting equipment, there is a drop of £2,000. What does that mean in terms of the fire extinguishers in all Government housing?

HON DR R G VALARINO:

Mr Speaker, this has nothing to do with the replacement of fire fighting equipment in Government dwellings. This is replacement of foam stock communications equipment and spares, fire fighting hoses, breathing apparatus and spares, resuscitation equipment and replacement of normal fire fighting equipment.

HON P J ISOLA:

Is there no provision at all for fire extinguishers in Government housing, Government does produce new houses. Is there any provision at all anywhere?

HON DR R G VALARINO:

Yes, Mr Chairman, Sir, Sub-head 12, Fire Precautions in Government premises.

HON W T SCOTT:

Under Other Charges, I notice there is a drop in staff training this year, Mr Chairman.

HON DR R G VALARINO:

Sir, this is for the attendance of 3 Sub Officers to UK on a breathing apparatus instructors course. This will take 2 weeks and another one for 3 weeks to the civil aviation authority officers course. The major point is a senior command course which will take 3 months but this comes through technical assistance, therefore it is not reflected in the estimates.

HON A J HAYNES:

Mr Chairman, the token sum of £200 for Oil Pollution. What does this envisage?

HON DR R G VALARINO:

Mr Chairman, Sir, this figure on oil pollution basically a figure which has been put in just in case we need further stocks in dealing with a problem like we had 2 years ago. This is really a token figure, to enable us to ask for a warrant should the need arise.

HON A J HAYNES:

Mr Chairman, I take it then that the Minister is talking about the Fire Brigade attending to oil-pollution as and when it occurs on our shores. Does the Minister have the wherewithal to combat any grave situation that may arise by way of oil leakage or would he have to come first of all to this House to get the money? Does he have any equipment, etc?

HON DR R G VALARINO:

Yes, Mr Chairman, as far as I know we have the full amount of equipment as far as stocks are concerned. If I remember rightly not only do we have some but the RAF have got some which they will lend us within a short time if necessary but if the occasion demands then we have to get some of them in

a hurry, and this is to allow us to be able to get this sort of equipment here in Gibraltar to deal with the emergency and to deal with it as quickly as possible.

HON A J HAYNES:

Sir, has the Minister made any enquiries into the likely effect of any major shipping disaster in the Straits?

MR SPEAKER:

No, with respect, not under an itemised sub-head otherwise we will debate.

Other Charges was agreed to.

Special Expenditure

HON G T RESTANO:

Can we have some details of Item 80. Purchase of Motor Vehicle.

HON DR R G VALARINO:

Yes, Sir, the £2,000 for the motor vehicle is to replace a Volkswagen which was condemned and in fact, it is a Volkswagen G27890 and to try to replace it by a Morris Marina.

HON G T RESTANO:

And does the Morris Marina cost £2,000?

HON DR R G VALARINO:

Mr Chairman, this will be going out to tender.

MR SPEAKER:

It is a token vote, in other words, it is a token vote for the purchase of the vehicle.

HON DR R G VALARINO:

No, it is not a token vote, Sir, it is an actual vote.

MR SPEAKER:

Will you please tell me where you can get a Marina for £2,000?

HON G T RESTANO:

Perhaps in this vote there has been an under provision. If they want to buy a Marina which would cost about £4,000, where is the difference going to come from?

HON DR R G VALARINO:

Mr Chairman, Sir, apart from the fact that we do not pay for duty, we shall go out to tender. If we cannot buy a Marina we shall have to buy something far more simple to be able to fit in with the amount provided in the estimates. The Opposition does not seem to realise that we have cut our own estimates in order to be able to fit in with the picture.

HON G T RESTANO:

But if it costs more Mr Chairman, will it have to come from another vote or a re-allocation?

MR SPEAKER:

Most certainly.

Special Expenditure was agreed to.

Head 5 - Fire Service was agreed to.

The House recessed at 5.15 pm

The House resumed at 5.50 pm

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I must apologise to the House for inadvertently having misled it on Head 4, Electricity, Special Expenditure, the temporary generating plant. The Honourable Mr Restano asked whether the amount shown which amounted to some £½ million, was the total for the cost of the generators and having consulted I said yes. I am afraid that it slipped our minds, and it should not have slipped mine because it was in front of me that in 1980/81 we also spent £146,000 so that in

fact the total cost is £646,000 approximately. However, I have also checked and we are still of the opinion that it was cheaper to have hired than to have purchased.

Head 6 - Governor's Office was agreed to.

Head 7 - House of Assembly - Personal Emoluments

MR SPEAKER:

May I by way of explanation and I think in fairness to the staff of the House of Assembly say that overtime is not the overtime payable to the staff, it does include an element of that, but it is the amount paid to what we call PBR which is the transcribing and audio-typing of Hansard by staff outside the House.

HON G T RESTANO:

In view of the heavy workload in this department is the Government considering increasing the establishment?

HON CHIEF MINISTER:

I am a bit unaware of the latest situation, I know there have been representations made about supplementing and I do not know whether there was a staff inspection or not.

MR SPEAKER:

There has been a plea from me occasionally. We have had a staff inspection which said that we did not need extra staff which we disagree with.

HON CHIEF MINISTER:

The point is that the House has had two very long Select Committees going and that has taken a lot of the time of this House and of the staff too.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Mr Chairman, in answer to Mr Restano's question, there has been a staff inspection with which Mr Speaker I do not think necessarily agreed and he is in good company because I do not agree with any staff inspections on my department, which did not recommend any change. However;

I had talked to Mr Speaker and also to the Clerk about some ways in which we might save money to get extra work done and it is something which we are going to investigate but it would not mean an increase in staff.

HON MAJOR R J PELIZA:

Mr Chairman, perhaps this is the opportune moment for me to raise the point that I have always raised about the index.

HON CHIEF MINISTER:

It is the worst time to raise it.

HON MAJOR R J PELIZA:

Well, if it is the worst time I think it is about time, in my view, that the House becomes conscious that we are paying considerable money as we can see from the amount of which no doubt a lot of that goes into the typing and publishing of the Hansard and unfortunately it cannot be used unless someone is prepared to go on reading year after year long winded speeches, including my own, I think it would make life much easier for any person who would like, Mr Chairman, to find out on any particular subject what has developed during the years to be able to look it through an index, this is common-sense, otherwise in my view we might as well not keep a Hansard and I would suggest to the House that it gives very serious consideration to have an index. I do not know of any record of that nature in any House that I have been in touch with that they do not possess an index and I do not think that the amount that would involve would amount to so much that this House cannot afford to have it.

HON CHIEF MINISTER:

It just occurred to me, Mr Chairman, honestly it just occurred to me for the first time, that this is a matter that could be let out on the basis of somebody who is used to research and so on to be able to provide it on a sort of consultancy basis, do it for once and then be kept up in the future.

Personal Emoluments was agreed to.

Other Charges was agreed to.

Special Expenditure

HON MAJOR R J PELIZA:

Mr Chairman, on the £18,000 that I see here for election expenses. Could the Chief Minister say if he has taken the hint given both by myself and the Hon Mr Bossano who is not here at the moment, whether he would in fact utilise that money a little earlier than he foresaw and perhaps have an early election?

HON CHIEF MINISTER:

Anything I say now will purely be misleading, I have not made up my mind.

Special Expenditure was agreed to.

Head 7 - House of Assembly was agreed to.

Head 8 - Housing - Personal Emoluments

HON A J HAYNES:

Mr Chairman, I notice that there was no need for seven extra typists. Can the Minister say therefore if the lists are functioning well or whether there is a likely increase in staff to be made?

HON J B PEREZ:

There is no likelihood of increase in staff this year.

HON A J HAYNES:

Mr Chairman, on this point. It has been announced, as a result of a question asked, that the Housing Department has to move to I think it is St Margaret's Commercial School. In that event, Mr Chairman, will there be a review of the staff requirements or not?

HON J B PEREZ:

I do not see any need for that, Mr Chairman.

Personal Emoluments was agreed to.

Other Charges

HON A J HAYNES:

Mr Chairman, on Other Charges, the Upkeep and Operation of Centres. There is an increase of £3,000, can the Minister explain why this is so?

HON J B PEREZ:

This is the normal increase in water and electricity charges, a 10% increase.

HON A J HAYNES:

Mr Chairman, last year we were told that the upkeep and operation of Centres was going to be increased as a result of the cost of unmetered water used at such places as the Town Range Centre. Will the Minister now state whether these Centres have now been metered or not?

HON J B PEREZ:

Mr Chairman, first of all let me inform the Hon Member that if he has a close look at the revised estimates for 1982/83 he will see that we in fact over-spent in that vote by £10,000 so the estimated expenditure for 1983/84 is down from £30,000 to £23,000. In answer to your second question, yes, the meters have been installed by the Public Works Department, unfortunately they have been vandalised to quite a large extent and they are being repaired by the PWD.

HON A J HAYNES:

Mr Chairman, does the Minister anticipate that with the successful operation of meters, actual expenditure will be less than that for which we are now making provision?

HON J B PEREZ:

That is why I say that if the Hon Member has a look at the revised estimates, we spent last year £30,000 so we are estimating that we will spend this year £23,000 which is a reduction of £7,000.

HON A J HAYNES:

On Sub-head 6, Mr Chairman, Supervision of Crown Properties. Can I have an indication of what the increase is due to? Mr Chairman, before he replies can he give us a breakdown on the number of workmen we are talking about, the number of the workforce?

HON J B PEREZ:

Mr Chairman, the total workforce under that Sub-head is six maintenance wardens, four assistant wardens, one handyman, one driver, twenty-two labourers, two boy labourers and the total wages and allowances is £179,000.

HON A J HAYNES:

Has there been an increase then in the workforce for this year or not?

HON J B PEREZ:

No, Sir, there has been no increase.

HON G T RESTANO

What does this workforce do?

HON J B PEREZ:

They are responsible for cleaning the estates.

HON G T RESTANO:

Cleaning?

HON J B PEREZ:

Well, in the estate and the maintenance of the estate, we have the wardens structure but most of the workers are in fact responsible for collecting things like cardboard boxes and other things which the normal refuse collectors do not collect from the Estates. So what happens in the morning, say at Varyl Begg, you will get refuse collectors who go there, their spillage would be collected by these people from the Housing Department and then the Housing Department lorry will

go down to the Estate and take the remaining refuse away. In other words, we collect what is left behind by the Public Works.

HON A J HAYNES:

Can the Minister state whether he has made any enquiries as to whether the Tenants Association could be given some of this work of supervision of Crown Properties?

HON J B PEREZ:

I wish the Tenants Association instead of being given the supervision would help the department in making sure that people would not dispose of fridges, cookers, beds, etc. I do not see the need for giving the supervision to the Housing Associations. In any event if they were not satisfied with the work that was being done they normally tend to write to either the Public Works or to the Housing Department.

HON A J HAYNES:

Mr Chairman, has the Minister made any efforts to coordinate the maintenance and cleanliness of Estates with the Tenants Associations?

HON J B PEREZ:

Yes, I have.

HON A J HAYNES:

What is the result, Mr Chairman?

HON J B PEREZ:

Mr Chairman, I have spoken to various Housing Associations about this and I have not had any complaints as far as the Housing Department is concerned about the work that we were carrying out. In fact, the Varyl Begg Tenants Association were quite happy with the work that the employees of the Housing Department were carrying out, that is, the sweeping within the Estate and the collecting of spillage. We have had no complaints.



HON G T RESTANO:

On the next Sub-head, Mr Chairman, the maintenance of Government Housing. What does that consist of?

HON J B PEREZ:

Mr Chairman, mainly this vote is for both pre-war and post-war dwellings which are vacant and which require a certain amount of rehabilitation. Instead of giving it to the Public Works Department we have a small labour force and we carry out minor jobs in order to try and quicken the rehabilitation but mainly it is done for pre-war housing.

HON G T RESTANO:

How many houses would be rehabilitated in a year?

HON J B PEREZ:

I really have not got that information, I could give the Hon Member the information at a later date. First of all, Mr Chairman, I have not been Minister for a full year so I really have not got that information but I can let him have it.

HON A J HAYNES:

Mr Chairman, on Sub-head 8, the staircase lighting. Is the Minister making any efforts to reduce the cost?

HON J B PEREZ:

First of all let me say, Mr Chairman, that there is an element in the rent in connection with the staircase lighting in most Estates. This is a very difficult vote for the Housing Department to control because we get the bill at a later stage and I think the only effective way that I can think is to increase the element of the staircase lighting into the rents, it is really used by tenants of a particular building. I do not see any other way.

HON A J HAYNES:

Has the Minister made any contact with the Tenants Associations in this respect, Mr Chairman?

HON J B PEREZ:

No, to be perfectly honest, Mr Chairman, I have not.

HON W T SCOTT:

Is all this amount included as a drawback in the element of rents.

HON J B PEREZ:

I do not think so.

HON W T SCOTT:

Will the Minister consider putting all of this as part of the element of the rent?

HON J B PEREZ:

What I am saying is that in the rents that are paid by tenants there is an element which is taken into account as far as staircase lighting is concerned. I am not entirely au courant with what the percentage is, I do not work that out.

HON W T SCOTT:

What I am asking the Minister is would he not consider putting this sum, this total sum, so that there is the drawback and the increased rent takes care of the £65,200 so that it is the tenants that are paying for their own staircase lighting?

HON J B PEREZ:

What I am getting at is I do not know what percentage of the rent takes this into account. It may well be that the full £65,200 which is estimated for next year is in fact recouped through rent but I would be misleading the Hon Member if I were to say the percentage because I do not know.

MR SPEAKER:

I think what the Hon Minister is saying is that the percentage and the element of rent is not proportional to the amount recouped.

HON J B PEREZ:

But: it may well be, Mr Chairman, that we are recouping the full £65,000, I do not know.

HON W T SCOTT:

I am asking him that if it is not will he ensure that it is?

HON J B PEREZ:

Yes, I will look into that, Mr Chairman.

Other Charges was agreed to.

Head 8 - Housing was agreed to.

Head 9 - Income Tax Office - Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Mr Chairman, under Sub-head 4, Office Rent and Service Charge. Is it not the intention for the Income Tax Office to move out of these rented premises?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman, but it will take some time before the new accommodation is ready, probably a year to eighteen months.

HON G T RESTANO:

Is this the old St Jago's?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman.

Other Charges was agreed to.

Head 9 - Income Tax Office was agreed to.

Head 10 - Judicial (1) Supreme Court - Personal Emoluments

HON G T RESTANO:

We did make a comment in the Second Reading of the Bill, Mr Chairman, that the Admiralty Marshal does not appear to have the necessary back-up for the arrest of vessels and I wonder whether anything is being done to remedy the situation?

HON ATTORNEY-GENERAL:

Mr Chairman, I would be grateful before answering if the Hon Member could expand in what sense he does not appear to have sufficient back-up?

HON G T RESTANO:

Well, we do know of a case quite recently where an arrested yacht was able to leave Gibraltar.

HON ATTORNEY-GENERAL:

The fact that that may happen on one occasion, Mr Chairman, I do not think necessarily implies that the Admiralty Marshal does not have sufficient back-up. At the moment I am not aware of any plans to increase that back-up.

HON G T RESTANO:

So the Hon Member is saying that he is quite satisfied with the back-up that there is?

HON ATTORNEY-GENERAL:

I am not satisfied, Mr Chairman, that a boat should break arrest. What I am saying is that the fact that one boat breaks arrest, does not necessarily indicate that there is not sufficient back-up.

HON G T RESTANO:

Would the Hon Attorney-General then say that there is room for improvement?

HON ATTORNEY-GENERAL:

Of course, there must always be room for improvement but I think I have made the point I wish to make.

HON G T RESTANO:

Is there any intention to do anything about improving the service?

HON ATTORNEY-GENERAL:

I think not at the present moment.

HON CHIEF MINISTER:

I had an experience some years ago in which I think subsequently there was some problem against the Government which I never heard the end of on another tack, and it is simply that when a ship is arrested even though, as I think the Leader of the Opposition quite rightly said, one has to deposit a very substantial amount of money to ensure the arrest, it can only be done by the employment of watchman on board and if somebody comes with a gun and puts the watchmen ashore all the back-up that the Marshal can be given unless he has got armed people or unless an Order could be obtained from the Court, as I tried on one occasion, to remove some part of the engine that would not allow the ship to sail, it is bound to happen.

HON ATTORNEY-GENERAL:

Mr Chairman, may I make one point clear. I recognise that Admiralty Marshal work is an important aspect of work in Gibraltar and if there were reasons to be seriously concerned that there was need for a greater back-up obviously the matter would be looked at, the importance of the work is not lost sight of.

HON A J HAYNES:

Mr Chairman, our concern as indicated in the prepared speech of my Hon Friend, Mr Restano, indicated that not only were we not satisfied as to the back-up available to the Admiralty Marshal but we are concerned at the Financial Centre aspects of arrest, and Mr Chairman, I would like to ask Government whether they share our view that there is a certain amount of

mileage to be made from enhancing Gibraltar's facilities for arrest. Mr Chairman, if I may add at this juncture that arrests are often undertaken willingly by third parties who want to have a dispute settled and it is something that if Gibraltar provides a suitable service they would come here to have the matter resolved under British law at a cost which they know would not be prohibitive. If the Government share the view that there is the possibility of enhancing Gibraltar's facilities in a Finance Centre capacity for the arrest and settling of disputes in Admiralty matters, will the Government ensure that all measures are taken to enhance that?

HON ATTORNEY-GENERAL:

I think it was implicit in my last voluntary answer that I think it is recognised that this sort of work is particularly good work and attractive work for Gibraltar. I think more generally actually that the judicial services, and this is a personal view I am expressing now, that the judicial services available in Gibraltar could very well be a sort of attraction to outsiders, I am thinking particularly in terms of arbitration and the ability to get decisions under British justice quickly. I think the Government is aware of it.

HON A J HAYNES:

Mr Chairman, will the Minister confirm that before the arrest of that which the Chief Minister referred to, the "Centaurus", there was a thriving practice in admiralty work which has now declined as a result of the greater expense which is entailed in the present system for arresting a ship. Will the Minister confirm that?

HON ATTORNEY-GENERAL:

Sir, I am not aware of the impact this has had on the attractiveness of the use of Gibraltar as a place for arresting vessels.

HON A J HAYNES:

May I ask if the Attorney-General <sup>could</sup> undertake an investigation into this, it is a serious matter and one which could enhance Gibraltar's Finance Centre attraction.

HON ATTORNEY-GENERAL:

Yes, Sir.

Personal Expenses was agreed to.

Other Charges was agreed to.

Magistrates and Coroners Courts - Personal Emoluments

HON G T RESTANO:

Does the Government have any intention of providing a Bailiff for the Magistrates Court?

HON ATTORNEY-GENERAL:

There is a need for a Bailiff. There is a need for a person to execute judgements of the Magistrates Court and that is a matter which the Government is aware of.

HON G T RESTANO:

Would the Government not agree that there is a certain amount of urgency in having that post filled?

HON ATTORNEY-GENERAL:

Mr Chairman, I agree that there is a certain amount of urgency. If I can elaborate I think that an important factor in law enforcement is that if the public know that there is the availability of a Bailiff to enforce such matters, by and large, most people will accept the judgement of the court and meet it or comply with it. It would be a matter of concern, I think if people felt that there was not to be any follow-up and I think that could have an effect on the general attitude of people towards Court Orders. I am aware of the urgency of it.

HON G T RESTANO:

Can we expect to see that post filled within the next few months, Mr Chairman?

HON ATTORNEY-GENERAL:

I think that is a matter for Government, Mr Chairman but, certainly, the point of urgency made is noted.

HON A J HAYNES:

Would the Attorney-General also enquire into the availability of a store for the Bailiff, it is my personal experience that without a store a Bailiff is unable to operate.

MR SPEAKER:

I am sure the matter will be looked into when it is considered to appoint a Bailiff.

Personal Emoluments was agreed to.

Other Charges

HON W T SCOTT:

Mr Chairman, there seems to be a drop in electricity, water and telephone service compared to the public utility cost last year. It is only a small drop but it seems to be one of the few departments of Government, in fact, that shows a drop.

HON ATTORNEY-GENERAL:

I would have to enquire into the reason for this drop.

Head 11 - Labour and Social Security - Personal Emoluments

HON W T SCOTT:

Mr Chairman, last year, I think five clerical assistants were employed as part of the staff required to man the Key and Anchor Club to register unemployed Spaniards. This year there was not a requirement other than in December. What seems to have happened throughout the course of the year is that those five clerical assistants have been intergrated with the department as a whole and we now find another eight as supernumeraries employed for the Key and Anchor Club, making a total between this time last year and today of thirteen individuals for the Key and Anchor Club. Can we have some explanation on that please?

HON MAJOR F J DELLIPIANI:

Mr Chairman, first of all, I would like to correct the establishment under Item 17, where it shows one messenger in

1983/84, there should be two messengers. With respect to what the Honourable Mr Scott said, the last year's establishment was 64. The staff which was required for the Key and Anchor amounts to eight and the supernumery staff would be one executive officer, five clerical officers and two clerical assistants. Sixty four of last year and eight under the Key and Anchor make seventy two, they have not, as yet, been really intergrated with the main department. I would say, in fact, that we have not got five clerical officers, we only have three clerical officers, because the other two clerical officers would be cashiers. As we are not paying out at the moment we have no need for the cashiers. What is happening is that we are collecting the information that we have on employment and on pensions and processing the different claims made against us but there has been no decision as yet as to when we will pay so there has not been any need for the employment of the two clerical officers. On the whole of the establishment you will notice that there has been no increase. The increase from sixty four to seventy two is there by virtue of one extra messenger, which was there in any case last year, and the eight supernumery staff which are meant to deal with the question in relation to Spanish pensions and employment.

HON W T SCOTT:

I apologise, Mr Chairman, I obviously did not make myself clear enough. In the approved estimates of 1982/83, we find that at this time last year the establishment rose by nine, five of which we were told at the time, making it a total of sixty four, which is the total that appears in today's estimates. We were told then that five out of the ten which were clerical officers were going to be employed to man the Key and Anchor Club out of a total of that sixty four. What we find this year is that those five which were originally employed for the Key and Anchor Club, seem to have been intergrated.

HON MAJOR F J DELLIPIANI:

The extra bodies are related to the staff inspection that the department had. Because we have bigger unemployment we have employed, if you notice, two extra social workers. They have nothing to do with the labour inspectorate. The increase for the Key and Anchor are the supernumery staff. The rest are to do with the general day-to-day office duties as a result of staff inspection.

HON W T SCOTT:

Am I right in assuming that the five that were originally employed at this time last year for the Key and Anchor, the staff inspection, were taken within.

HON MAJOR F J DELLIPIANI:

That is right, because they were trained already. They were employed, in fact, in December.

HON W T SCOTT:

Does Government intend continuing with the present level of manning at the Key and Anchor Club?

HON MAJOR F J DELLIPIANI:

The manning level at the Key and Anchor is, as I say, six at the moment. Government will take a decision soon whether to continue as we are at the moment. If we did not have the Key and Anchor, because of the lack of physical space we would not be able to have coped with the amount of people who have come in for enquiries, we have been able to channel them off. If you go any morning to the main branch you can hardly get in, people start queuing up and with all the Spaniards that have come to make enquiries, we would not have been able to serve our own people. Obviously, a decision has to be taken soon as to whether we continue with this service or not.

HON W T SCOTT:

I can accept that, of course, Mr Chairman, that there was a need to start another registration centre exclusively for Spaniards but I am glad that the Minister has said to the House that it will be reconsidered because I feel that perhaps saturation point could have already been reached and all that is coming now is a trickle which might not necessitate having so many people manning that particular office.

HON MAJOR F J DELLIPIANI:

Yes, I reiterate what I have said that we must make a decision.

HON G T RESTANO:

Is it the responsibility of the staff here to pay the

unemployment benefit?

MR SPEAKER:

Which staff, the Key and Anchor Staff?

HON G T RESTANO:

No, no, of the Labour and Social Security.

MR SPEAKER:

Yes, the answer is yes.

HON G T RESTANO:

Can the Minister say where does one find the expenditure vote for Unemployment Benefits?

HON MAJOR F J DELLIPIANI:

In the Social Insurance Fund.

HON MAJOR R J PELIZA:

Mr Speaker, I would rather like to take the opportunity to pay tribute to Mr Gareze who for many years has been the Director of this Department. I know from the time that I was in Government in 1969, what sterling work he did for this Department, particularly at the time of the closure of the frontier and I think this should be recorded by the House.

HON W T SCOTT:

My Honourable colleague on my right jumped up before I was going to say that but I would like to associate myself totally with the sentiments passed because for the 3½ or 4 years that I have been in this House and shadowing that Department, I have received nothing else but the highest courtesy and the greatest of help from the Director and I am very grateful for it.

HON MAJOR F J DELLIPIANI:

I would like, since Mr Gareze is not here, I would like to thank the Honourable Members opposite and my colleagues

share their view. In actual fact, in the farewell party that we gave Mr Gareze I mentioned the fact that the Opposition held him in very high esteem and in particular I mentioned the Honourable Mr Willie Scott.

Personal Emoluments was agreed to.

Other Charges

HON W T SCOTT:

Mr Speaker, it does not appear in one of these sub-heads but the department is responsible for the Social Insurance Fund and obviously I would need your guidance and direction on this.

MR SPEAKER:

What is your problem?

HON W T SCOTT:

The second reading of the Appropriation B bill by the Financial and Development Secretary about there perhaps being a need for a certain reserve for possible unemployment in the 3rd and 4th quarter of this year as a result of the dockyard closure. I think that was a comment in general terms. But since unemployment benefit is paid by the Social Insurance Fund, I wonder whether you would allow me to pose the question whether Government has entertained the thought of making a budgetary contribution to that Social Insurance Fund, if the fund itself cannot stand the call on it by the possible unemployment within the Dockyard.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The unemployment pay is only paid from the Fund for the first three months, after that it comes out of the Consolidated Fund.

HON W T SCOTT:

Well, I mentioned that Mr Speaker, because under supplementary estimates here that does not seem really to have been taken into account.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Dockyard has not closed yet.

HON P J ISOLA:

But in actual fact, Mr Speaker, there would be no need to make provision. Supposing the Dockyard closed, there would be no need to make provision for supplementary benefits in this financial year because of the unemployment benefit.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Honourable and Learned the Leader of the Opposition is quite correct.

HON G T RESTANO:

Does not unemployment benefit cease after 13 weeks and then the persons go on to supplementary benefits?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON G T RESTANO:

I would like to ask one question on supplementary benefits with the background of what the Minister said in his contribution yesterday about youngsters being very choosy in the work they are prepared to take. What is the policy in the granting of supplementary benefits to young persons who do not take up work that is offered to them through the department?

HON MAJOR F J DELLIPIANI:

Nothing.

HON G T RESTANO:

What do you mean by nothing, what is the policy?

HON MAJOR F J DELLIPIANI:

The policy is to give them nothing.

HON MAJOR R J PELIZA:

I am sorry I did not understand that. Do they not receive any money?

HON MAJOR F J DELLIPIANI:

The policy is to give them nothing.

HON G T RESTANO:

So they receive no income.

HON MAJOR F J DELLIPIANI:

One of the suggestions that I took on from the Honourable Mr Scott was to try and make them go to different courses in the Construction Training Centre and we encourage them by paying them an attendance allowance of £10 a week and whilst the young man was in the Construction Training Centre he was considered to be in school so that the family would not lose the family allowance. They have shown no interest so obviously they must be very well maintained by their family when they can afford to give up £10 a week.

HON G T RESTANO:

Am I correct in thinking that when a child comes out of school and is unemployed, he would get unemployment benefit for 13 weeks.

HON MAJOR F J DELLIPIANI:

When he comes out of school he gets nothing because he has not contributed to the Social Insurance Fund.

HON P J ISOLA:

Can I ask, in the case of somebody who has been in employment and has fulfilled the conditions in the Social Insurance Ordinance to qualify for unemployment benefit, what happens if he does not accept, is he entitled to the unemployment benefit or is it the same position?

HON MAJOR F J DELLIPIANI:

No, he is disqualified. If he is offered a reasonable job which he is capable of doing and he refuses, he is disqualified.

HON MAJOR R J PELIZA:

Could the Minister say what the reaction generally is? Is it successful or do we find lots of people who just do not react favourably. What is the real position?

HON MAJOR F J DELLIPIANI:

Very few people refuse to work.

HON MAJOR R J PELIZA:

Mr Chairman, I have got three questions. One is Sub-head 9, Sponsored Patients. I see there is an increase of £30,000 but in fact it is an increase on an approved estimate. Does he believe that it is going to cost that extra much this year, is it costing more to send patients? Are we going to be more liberal? Can he explain?

HON MAJOR F J DELLIPIANI:

This is a projection we make. If we have to send more patients and we have to pay we ask for supplementary provision. We try and make a projection. This has nothing to do with the payment, this is the maintenance and the escort, the travelling expenses, etc.

HON MAJOR R J PELIZA:

Thank you very much. The other one is Accommodation of Labour. Could the Minister explain if in fact we make any money on this? Obviously some part of that must be derived from some income from the hostels, or do we lose money?

HON MAJOR F J DELLIPIANI:

Taking away capital expenditure of major repairs and all the rest, it is almost a balancing act. We charge them what it costs us on the daily running of expenditure not on capital charges. For example, the last repairs was something like £½m.

HON MAJOR R J PELIZA:

I have one more question, Mr Chairman, this is my usual yearly one, hopefully I think one day I may succeed. Sub-head 17, John Mackintosh Hall. Can the Minister say if we will be able at the next elections to use this particular venue?

MR SPEAKER:

I am afraid you are wrong, this is not the Hall, this is the John Mackintosh Home.

HON MAJOR R J PELIZA:

I am sorry, my apologies.

HON W T SCOTT:

Mr Chairman, I have one on Family Allowances. I expressed during the course of the Second Reading of the Finance Bill, our dissatisfaction that after something like two years families which have in excess of one child seem not to be as well off insofar as allowances are concerned with families that have just one child and one would have thought that over the last years since the tax allowance for the first child was waived where the family allowance for second and subsequent children remained the same, I would have hoped that Government would commensurately have raised that family allowance for the second and the third child. Other than the reply we had from the Hon Financial and Development Secretary purely on costs, on the morality and the social aspects of it I would like to hear in fact what the Hon Member responsible might have to say on this?

HON MAJOR F J DELLIPIANI:

Mr Chairman, first of all I would point out to the Hon Member that the Family Allowance received is tax free, it is not taxed. Secondly, if he looks at the sum it is £½m, it is quite a substantial sum. I remember when my Hon Colleague, the Minister for Economic Development, when he became Minister for Labour the fund then was £30,000 a year, now it is £½m. There has been over the years quite a substantial increase in Family Allowances, it is a question I do not think myself personally that we can afford to increase at this stage in the financial situation we find ourselves. I agree with the point that you have raised, I am just restricted with the money that I think I can afford.



HON W T SCOTT:

Does the Minister not agree, in fact, that there is discrimination practised?

HON MAJOR F J DELLIPIANI:

I do not agree that there is discrimination, what I agree with you is that I would like to do it because it would be something fantastic but I cannot afford to do it and as I cannot afford to do it I face reality and I just do not do it but I would like to do it. I agree with him completely.

Other Charges was agreed to.

Head 11 - Labour and Social Security was agreed to.

Head 12 - Lands and Surveys was agreed to.

Head 13 - Law Officers - Personal Emoluments was agreed to.

Other Charges was agreed to.

Special Expenditure

HON P J ISOLA:

Mr Chairman, Law Revision is £200,000 and it is due to be spent this year. Does that mean that it will be ready, the law revision, printed and all?

HON ATTORNEY-GENERAL:

Mr Chairman, the tenderer has been selected, I cannot say that the contract is concluded but the tenderer has been selected and we are in the process of ironing out the details. The Law Commissioner is intent on keeping to his time-table, he relies on support from our part to help him do that but as far as he is concerned he is working to that time-table.

Special Expenditure was agreed to.

Head 13 - Law Offices was agreed to.

Head 14 - Medical and Health Services - Personal Emoluments

HON G T RESTANO:

Does the Minister have any comments to make at this stage now on the comments that I made about the phasing out of private consultations?

HON J B PEREZ:

Mr Chairman, I would merely reiterate what I said in the last House of Assembly last month and that is that the question of private practice is a matter which is governed by the terms and conditions of employment of the consultants and they are on the same basis as they are in the United Kingdom, that is the information I have and there really is not much that I can do except to ensure that there is no abuse of the terms of the conditions which are imposed on consultants who carry out private practice. Let me just reiterate that in the main, private consultations are only permitted once a week and that the earnings of the consultants must not exceed 10% of their salary. Not only that but the consultants under the terms of conditions of employment have to submit annual accounts to the Controlling Officer of the Department who would, if he is dissatisfied with a particular return or if it has to come to his attention that a particular consultant is in fact abusing the right to carry out private practice or is in fact in conflict with his duty to public patients, then the matter would obviously be taken up with the Establishment Officer.

HON G T RESTANO:

I ask, Mr Chairman, because I notice that Appendix 'H' of the Estimates, Salary Grades and Scales, page 126, that for example the Director of Medical and Health Services is in brackets put (without private practice). Is this the new policy of the Government with new consultants?

HON J B PEREZ:

I do not honestly think that that should have been put there, this occurred two years ago when the Hon Mr Scott brought it to my attention, that should not be there (without private practice). I think the Hon Mr Scott raised it two years ago. I apologise for that error, it is not my responsibility actually.

HON P J ISOLA:

There is a lot of supernumerary staff, did the Minister explain this in his budget speech?

HON J B PEREZ:

Yes, I think I did but for the benefit of the Hon Member, we said we were engaging in a training programme in order to be able to localise posts and we have taken on young people, they are going to do a year's training here and then we are going to send them to UK and within two years when they complete their course they will come back and take the posts which are at the moment taken up by the expatriates. The idea is to localise and, of course, to give employment.

Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Is the Minister satisfied that under Sub-head 8, Drugs, Dressings and Pharmaceutical Sundries, the department is getting value for money?

HON J B PEREZ:

Yes, I think in the main we are, Mr Chairman.

HON G T RESTANO:

Does the department do shopping around to see whether they can buy things cheaper?

HON J B PEREZ:

Most of the items are purchased by tender and on other occasions we buy direct from manufacturers in some cases because that is not the GPMS vote. There are certain items, for example, special bandages which we may require which we have to buy from a particular manufacturer and if there is a local agent we would go to the local agent here, if there is no local agent we buy direct from the United Kingdom but we try where we can to avoid the middle man.

HON G T RESTANO:

And on Sub-head 9, Group Practice Medical Scheme - Medicines. I remember the Minister's predecessor always made great play in this House saying that in Gibraltar there were more items per prescription than he felt was necessary or in accordance with what was done in the United Kingdom. Is this still the practice or has there been any change?

HON J B PEREZ:

I think in the last survey that was carried out by the department, the comparison that was made, Mr Chairman, with the United Kingdom, we are more or less at par at the moment of items per prescription and as far as the average is concerned we are more or less at par with the UK. I think the survey was carried out a few months ago. The point I would like to make as far as this particular vote is concerned is it is indeed a very difficult vote to control because one does not know.

Other Charges was agreed to.

Special Expenditure

HON G T RESTANO:

Perhaps the Minister will say what is the new equipment that is being purchased?

HON J B PEREZ:

I am surprised, Mr Chairman, the Hon Member has not said that he welcomes the £40,000. I will just give you, Mr Chairman, the main items, the main ones, that is an incubator, an electro-surgical table, a pantogram for the X-ray department, a resuscitator, pace-makers, eye instruments and main general instruments. With the coming of the new Director we have quite a large shopping list and I would take this opportunity, if I may, Mr Chairman, to say in public that if there are private organisations, people who make donations during the year, I would urge them to liaise with us and buy us things that we really need and not merely to go ahead and make a donation of a particular item which sometimes we do not really need. The only problem is that when you are given something free of charge you must be grateful and you cannot say no, but I take this opportunity to make the plea to private firms or organisations who wish to make donations to contact the

Administrator of the Department or the Director and we will give them a shopping list of the items that we require from, say, £1 to up to £100,000.

HON G T RESTANO:

I notice, Mr Chairman, that the next three sub-heads are all re-votes. Can the Minister say why if there was a requirement for a van last year why was it not purchased last year and why was the PMBX not installed?

HON J B PEREZ:

Mr Chairman, as far as the first one is concerned Sub-head 81, Disinfection Plant, certain works are in progress, they had to be carried out by the Public Works Department and either they have just finished or they are shortly to be finished but the plant has been ordered already but has not been paid for. As far as the PMBX is concerned, that will have to depend again on another department to carry out the purchase for us. As far as the van is concerned I am told the van has not yet arrived but it was in fact ordered.

Special Expenditure was agreed to.

Head 14 - Medical and Health Services was agreed to.

Head 15 - Police - Personal Emoluments

HON A T LODDO:

Mr Chairman, I notice here under Personal Emoluments that the overtime in consonance with current Government thinking this year, is down but at the same time allowances are considerably up. Perhaps the Minister can explain what are we actually saving at the end of the day?

HON ATTORNEY-GENERAL:

Mr Chairman, what we are saving is a matter of calculation but I can say why the overtime is down and why the allowances are up which I think is what the Hon Member may wish to hear. The overtime has but cut, as the Hon Member mentioned, in keeping with the concern to reduce the level of overtime. It may possibly be further curtailed. It may be difficult for the time being to keep within this limit but nevertheless it may be further curtailed when fourteen newly recruited recruits complete their training and are able to come into

post, that may have the effect of further reducing overtime. So far as the increase in allowances is concerned this includes two elements. First of all, it is the estimate of the rent allowance payable to police officers under the general conditions of their service and it includes an element of £48,750 for refund of income tax to the Income Tax Department because of course if one gets free or subsidised accommodation, for tax purposes a notional amount is attributed to that and under the terms of the police conditions of service that has to be borne by the Government so it is really a book transfer.

HON P J ISOLA:

Can I ask the cost of maintaining the police at Four Corners for a year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The cost per month is £27,700 then on top of that there is overtime as well, the annual cost is about £2½m.

HON MAJOR R J PELIZA:

Is that over and above the £750,000?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No.

HON P J ISOLA:

As a matter of interest, why does the Police cost double the Customs, is it more people there or better rates of pay or what?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There are five Police Sergeants and twenty-six Constables so it is slightly in excess. They have also got a rent allowance per month, that is £1,300 which we do not get for the Customs Officers. Their terms and conditions of service are very different from Customs Officers.

HON P J ISOLA:

Can I ask the Attorney-General, do they have instructions not to allow armed people to cross the border?

HON ATTORNEY-GENERAL:

I am sure they do.

HON P J ISOLA:

Can I ask the Hon and Learned Attorney-General to ensure that that is the case because my information is that armed men do cross the border, they happen to be in uniform?

HON ATTORNEY-GENERAL:

Mr Chairman, could the Hon and Learned Leader of the Opposition say which way?

HON P J ISOLA:

Armed men into Gibraltar, in other words, I am talking of Customs Officers and Spanish Police Officers who are armed and who walk across and seem to enjoy a cup of tea and so forth and we are a little concerned about that. We think it is wrong, in principle.

HON ATTORNEY-GENERAL:

I will take note of that.

HON W T SCOTT:

Mr Chairman, might I ask since the Estimates were prepared on the establishment, what establishment there is within the Police Department, what has it been raised to from 215?

HON ATTORNEY-GENERAL:

The current establishment is 215 and I think I mentioned before fourteen recruits.

HON W T SCOTT:

Have they already been taken?

HON ATTORNEY-GENERAL:

If the Hon Member will bear with me I will just check my facts.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Of the fourteen who are being trained some are to replace people who have retired or left the service. It will be plus five.

Personal Emoluments was agreed to.

Other Charges

HON A T LODDO:

Mr Chairman, I notice quite an increase in the General and Office Expenses. Could the Hon Attorney-General please explain? It works out at about 25% increase.

HON ATTORNEY-GENERAL:

Mr Chairman, it is due to various factors. I think the main factor possibly being the 1982 pay review which affected the industrial cleaners, it takes a major slice of that vote. It also included a new item of £5,000 for printing under the arrangement whereby printing costs will now be dealt by particular departments whereas formerly this was done as a sub-head within the General Division of the Government Secretariat. I think also there was an element of the provision of a new telex facility which was necessitated by the decentralisation of an old joint user telex system which was being used in conjunction with the Secretariat, I think those are the major points.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Mr Chairman, if I may, I should have mentioned this earlier and I apologise for not doing so, and that is that one will find either in General Office Expenses or in a separate item in some departments, printing, and the reason for this is that there was a recommendation that printing should be dealt with separately by departments so that there is provision now in each departmental Head for printing. When you come to Secretariat which used to be the goat bag where all the printing was paid from you will find the vote has come down.

HON A T LODDO:

Mr Chairman, I notice the Clothing and Equipment is going down. How can we explain that?

HON ATTORNEY-GENERAL:

All I can say is that this is one particular area in which economies are being studied and it would seem that not only are they being studied but they have been studied. I think it is simply a deliberate reduction in the amount being spent on clothing.

HON W T SCOTT:

Mr Chairman, since the police have taken on a total of fourteen recruits, should we expect a rise on training expenses?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am not quite sure of the logic in that question.

HON W T SCOTT:

If I may explain, I have assumed that the training expenses that appear there are attributable to training of young recruits.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This would be done by the training section and I think that through the year we get quite a number of recruit courses being run. I think the fact that they are taking on an extra fourteen now would not necessarily increase it.

HON ATTORNEY-GENERAL:

Perhaps if I may explain a little further. This particular, item 9 I think we are speaking to, really is concerned with specialised training. I should have made this clear at once, for example, VIP protection training, fraud investigation course training and advanced CID course training, it is specialised training.

HON A T LODDO:

Mr Chairman, on Sub-head 10. I notice a considerable drop of £4,500 under Traffic Control. I have noticed what I can only suspect is some form of monitoring of traffic at the fountain at Waterport. Is it the intention to provide more traffic

lights in Gibraltar and if that is the case how can we be cutting down on traffic control?

HON ATTORNEY-GENERAL:

I think the basis for the reduction is that it is understood that the responsibility for the provision of traffic lighting and sign painting will be taken over by the Public Works Department.

HON A T LODDO:

On 11. What exactly are investigation expenses?

HON ATTORNEY-GENERAL:

Well, they cover a variety of things, Mr Chairman, but, for example, drugs would involve drug analysis, the services of the Metropolitan Police Laboratory in London and that type of thing or it may involve sending a police officer to England to interview somebody. It could be a variety of matters.

HON A T LODDO:

Mr Chairman, has the police totally given up the idea of sending these samples, as has been the case previously, by hand of pilot?

HON ATTORNEY-GENERAL:

This matter came up in the House recently, Mr Chairman, and I find myself in the position of not quite recalling what we discussed at the time but the problem, I think, is this, that it is, especially in major matters, necessary to trace continuity of an exhibit so if you take an exhibit that has to be tested in the UK, it is important to be able to say that this was in police custody from point A to point B and from point B back to point A and I think that is the reason why, by and large, Police Officers are used to take these things. As I recall we did discuss in the House or debate in the House the possibility of doing more within Gibraltar itself but I think there will be some things which will need to be done overseas at least in the foreseeable future.

HON P J ISOLA:

Mr Chairman, very hard to find under what I can ask this, but under investigation expenses can I ask does this cover the expenses of investigating the deposit of refuse on the street by people? The reason why I ask this, Mr Chairman, is that sometime ago we had a great Keep Gibraltar Tidy campaign and we have passed legislation increasing fines and goodness knows what we did, and we were going to see a tidy Gibraltar and a clean city. I know that there are other reasons at the moment but it was basically the thing and I know that for about two or three months policemen were knocking at doors and telling householders: "You have put this after 10 o'clock or before 10 o'clock", and we had a few prosecutions and people were fined £25. Then like everything else that happens in Gibraltar they seem to have lost interest in the matter and as a result it is quite common now to see rubbish out, forgetting the present trouble, quite apart from the present trouble, rubbish out in all sorts of dirty bags, in boxes and one sees policemen walking past them without a care in the world. Do they accept responsibility in this field? I know we had a bit of trouble with dogs going around without muzzles and I think we were told there it was up to John citizen to make a complaint or collect the dog because we were all policemen as well but, Mr Chairman, on rubbish there was a law passed making penalties and here we have got the Tourist Minister and everybody else, we are all talking about the state of Gibraltar and the enforcement agency seems to be quite unconcerned about it. Do they recognise it as a responsibility of theirs or do they think that is the responsibility of the Public Health Department or the responsibility of John Citizen or the responsibility of somebody else, because it is very clear that there are no longer any prosecutions for rubbish and when I say there are no longer, I am not talking of the immediate past I am talking now for quite some time.

HON ATTORNEY-GENERAL:

The Police, of course, have a general responsibility for enforcing all laws, as the Hon and Learned Member knows as well if not better than I do, even if it may be the case that there are other agencies which also have a responsibility and I recall, Mr Chairman, that this matter was raised I think by the Hon and Learned Leader of the Opposition in the House and he expressed his concern at a recent meeting and I am confident that I raised this matter with the Commissioner of Police but I will most certainly undertake to raise it again and to remind him that there is this continuing concern. Without in any way getting away from that, I am not trying to water down

what I am saying, but just by way of a further explanation or a further point, of course the Police do have various priorities and obviously some things would be dealt before others but most certainly I will raise the matter with him again and remind him of the Hon and Learned Leader of the Opposition's continuing concern.

HON P J ISOLA:

I am grateful for that because I am not suggesting that the Police should have a special squad doing this but what I am suggesting is that the man who is on duty in Main Street, for example, and walking up and down so that people can see law and order is there, if he sees a little rubbish dump I think he might do something about it, I would have thought.

HON A T LODDO:

Mr Chairman, I notice a big drop under Sub-head 13, Maintenance of Dog Section. Perhaps the Hon Attorney-General could explain that?

HON ATTORNEY-GENERAL:

There is in fact a decrease from last year but it is considered adequate. The maintenance of the Dog Section includes a number of items, I could list them all. They include such things as dog food, biscuits, worm tablets, I would like to make one particular point which I think the Hon Member will be interested in, they also include "good boy" bones. I did want to make that last point.

HON A T LODDO:

Mr Chairman, I can immediately say that I do not supply "good boy" bones so I have no interest. What I meant was are there less dogs and is that the reason for the big drop?

MR SPEAKER:

They may have gone on a diet for all we know.

HON ATTORNEY-GENERAL:

There is one dog and it is a Labrador and I think its special skill is detecting drugs.

HON G T RESTANG:

I notice that the Telephone Service has risen sharply. It has gone up by 46%, I notice from the figures that I have, that seems to be rather high. Can an explanation be given?

HON ATTORNEY-GENERAL:

The reason for that, Mr Chairman, is that the increase was due to the introduction of the international direct dialling facilities plus the charging for local calls.

HON W T SCOTT:

Mr Chairman, I would like to ask on Sub-head 19, the very sharp drop on the maintenance of Police Stations and Posts.

HON ATTORNEY-GENERAL:

Basically this is an economising measure and as the Hon Member has pointed out there is a sharp drop to cover the costs of day-to-day maintenance and upkeep of Police Station and the result is going to be that there are going to have to be economies made.

HON A T LODDO:

Mr Chairman, if the Police can achieve this kind of economy with one more Police Post, namely, the frontier, could the same keenness be shown possibly in the Revenue Department and other departments to bring down the cost of office maintenance?

HON ATTORNEY-GENERAL:

Sir, I am not quite sure I understand the last part of the question.

Other Charges was agreed to.

Special Expenditure

HON W T SCOTT:

Mr Chairman, Sub-head 82. Can I ask the Government how many ambulances are there and for how long have we had the existing ambulances?

HON ATTORNEY-GENERAL:

If I can answer the last part of the question first. This item is to replace two ambulances both of which are seven years old and they are no longer cost effective. I think there are only two ambulances altogether anyway but I will check.

HON W T SCOTT:

If both are seven years old I seem to have seen a very new one going around.

HON ATTORNEY-GENERAL:

Mr Chairman, may I look into the matter and provide the information to the Hon Member but the particular vote for this item is to replace two seven years old ambulances. I believe there are in fact other ambulances but I will have to find how many there are and inform the Hon Member.

HON MAJOR R J PELIZA:

Mr Chairman, if I may contribute here, I have just seen this morning one new one, a new Volkswagen.

MR SPEAKER:

You have been told that you are going to be given the information in due course.

HON ATTORNEY-GENERAL:

Mr Chairman, I am not saying that there are only two ambulances all I am saying is that this item is to replace two seven years old ambulances.

HON CHIEF MINISTER:

One new one was purchased last year and now they propose to substitute the two old ones for a new one.

Special Expenditure was agreed to.

Head 16 - Port - Personal Emoluments was agreed to.

Other Charges

HON MAJOR R J PELIZA:

Mr Chairman, if nobody has anything before Sub-head 8. I am just referring to a question that I asked to the Minister for Economic Development and Port. It was to do with a fence, if he remembers, which was lying on the ground, it goes towards the Mole on the left hand side and he said he was going to replace that by a new fence. Well, it has not been replaced and I am not suggesting that it could be done overnight but could what is there now be totally removed, I think it would look tidier if that old fence which is not serving any purpose was disposed of.

HON A J CANEPA:

Mr Chairman, the thing is that part of the obligation to make good the fence lies in connection with the new Power Station, then the rest of it will be made good under the minor works departmental vote for which I think there is provision in the Improvement and Development Fund.

HON MAJOR R J PELIZA:

What I am suggesting is that if it is going to be some time before the new fence replaces the old one could the Minister see a way of getting rid particularly of that part of the fence which is lying flat on the ground serving no purpose whatsoever but is really an eyesore particularly for people travelling along the Mole?

HON A J CANEPA:

I will ask the Captain of the Port to look into that tomorrow, Mr Chairman.

MR SPEAKER:

Any other matters under Other Charges?

HON G T RESTANO:

I have one under Sub-head 12. Has the Government made an application to the Admiralty to have Admiralty land in the Port handed over to the Government?

HON A J CANEPA:

There are discussions going on currently on the question of the transfer of the North Mole.

HON A J HAYNES:

Is there any extra expenditure envisaged as a result of the project to make a causeway at the Viaduct?

HON A J CANEPA:

Not here, it would not be here, it is not recurrent.

Other Charges was agreed to.

Special Expenditure

HON A J CANEPA:

Mr Chairman, I have an emendment to move, it is an inclusion of a new item.

MR SPEAKER:

I think you should do it now and like that we will have Special Expenditure as it should be.

HON A J CANEPA:

I beg to move, Mr Chairman, the appropriation of £25,000 under a new Sub-head which would be Sub-head 83(N) and the Sub-head should read "Loan to Gibraltar Pilots Association" and the sum that should appear therefore in the first column for 1983/84 should be £25,000. The reason for this, Mr Chairman, is that Hon Members will see that under the revised estimates 1982/83 there is a figure of £25,000 which is as a result of supplementary appropriation that we made recently but because the terms of the loan agreement were not finalised before the end of the financial year the money has not been paid over and therefore there is a need to re-vote the money so really the amendment, what it purports to do, is to make provision under 1983/84 for the same loan that was the subject of some discussion at a recent meeting of the House. There will be, Mr Chairman, consequential amendments in the totals.



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

HON P J ISOLA:

Mr Chairman, we voted against this provision in the House and I won't address the House on it but we oppose this amendment on the same basis and for the same reasons that we opposed the original provision.

Mr Speaker then put the question in the terms of the Hon A J Canepa'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 J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull

The following Hon Members voted against:

The Hon A J Haynes  
The Hon P J Isola  
The Hon Major R J Peliza  
The Hon W T Scott

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon J Bossano  
The Hon Sir Joshua Hassan  
The Hon A T Loddo  
The Hon G T Restano  
The Hon R J Wallace

The amendment was accordingly passed.

Special Expenditure was agreed to.

Head 17 - Post Office, Savings Bank and Philatelic Bureau - Personal Emoluments was agreed to.

#### Other Charges

HON MAJOR R J PELIZA:

Mr Chairman, I have three questions on this. I think two of them could come under Sub-head 2. The first one is in relation to the sales of Insurance Stamps and I think this is probably the best vote where I can raise it. I personally have had a number of complaints of the time it takes for employers to obtain these stamps. If it is under £100, I am told, it means queueing up but it is available, if it is more than £100 then to be able to get it they have to queue twice because that is the only way they can get it unless they give notice, and then they have to go the following day. This apparently is causing considerable inconvenience and I wonder if it would be possible for the Minister to find another way of giving better service in this respect because from the point of view of the employer it is quite costly to have someone just queueing up to buy national insurance stamps and, in fact, I wonder if the Minister could influence the Government perhaps in doing it the way they do it in the United Kingdom where that is paid at the same time with PAYE at the same time as the tax is deducted and this might be a saving all round?

HON H J ZAMMITT:

Mr Chairman, I have not received any complaints about this, in fact, I was inclined to believe entirely the opposite, that the services being rendered were quite adequate. The situation is nearly correct the way he has expressed it and that is to say that small amount of stamps, not necessarily under £100, any small amount can be collected as and when required at the counter but for large sums and let us be quite honest about this what really occurs is that an enormous number of big firms accumulate large sums of money at a particular time of the year, invariably January, to fill their cards up and then of course it is a mad rush. At that particular time then I will grant that it is unavoidable that there are delays but on the whole and I have looked at this quite closely because we amended this, we changed the system around possibly nine months ago or so and we have found that people need not necessarily have to come to the Post Office, they telephone and providing they know who people are, in a small place like this we either recognise the voice or the John Smith at the end of the line and say: "I want 500 stamps tomorrow morning" and the person at the counter will say: Right, they will be organised". However I will certainly

look into it and if there is a way of alleviating the situation I will be delighted to do so, Sir.

HON MAJOR R J PELIZA:

Would it be alright if, say, anything under £100 can be done as usual at the counter and anything over can go to the other office where apparently is where they go for ones that are more than £100.

HON H J ZAMMITT:

That is what we are doing, Sir.

HON MAJOR R J PELIZA:

But you have got to give one day's notice.

HON H J ZAMMITT:

Invariably one day but that is the standard rule. I have personally seen people going upstairs and saying "I want 300 stamps" and the Clerk says: "Well, hang on, I can do it", because he is doing nothing else at that particular time but if there is a queue there then of course all he can say is, "We will take the order and it will be supplied". I will certainly take up the question that the Hon Member has mentioned.

HON MAJOR R J PELIZA:

The other question was to do with the credit balances; very small credit balances in the Post Office Savings Bank where perhaps the person withdrawing the amount is not straightforward because it does not belong to him really but perhaps belongs, say, to a relation who dies and it is a very small sum £5, £8 and as the Minister knows and certainly I knew of one instance where the individual was told that he had to produce a death certificate of the real depositor and that cost him £3 and of course if you deduct £3 from £5 it is really a total loss. He tried to obtain the release of the money by obtaining certificates from the Undertaker, burial certificate which of course cost him nothing and this, I am afraid, was not accepted either. Since then I believe the Minister has been looking into it and perhaps he could tell the House what the rule is now because although obviously this applies to one individual who approached me I am sure

that there must be many other people who are in the same situation and who must have found the same difficulty and perhaps the Minister by making a statement now in reply to my question might well clear the air for all the others who are perhaps waiting on the queue.

HON H J ZAMMITT:

Mr Chairman, I cannot make a considered statement at this particular point in time. What I can tell the House and the Hon Member is that on receipt of his letter it was obvious that it appeared to be futile that for the collection of a small amount of money there should be such demand of exactitude but on checking out it has been established, Sir, that the Postmaster has the flexibility within the Post Office Savings Bank Ordinance, the flexibility to allow if he is satisfied we must be very careful because there have been instances where a wrong person, and I am going further than that, has collected money, he must be satisfied and again because of our size it is not all that difficult, that a simple burial certification will be sufficient and that is being arranged at the moment, it is purely mechanical but, again, Mr Chairman, had it not been for the Hon and Gallant Major this matter would not have come to my attention and I am glad it has because I have given instructions to the Post Office for the matter to be sorted out.

HON MAJOR R J PELIZA:

I am grateful to the Minister, perhaps I could tell the individual concerned and he can go round and collect his money and perhaps some publicity could be given to this because I am sure that other people must be wondering whether it is worthwhile calling for the money if they have met the same situation.

MR SPEAKER:

Do you have another matter to raise?

HON MAJOR R J PELIZA:

Yes, there is one more, Mr Chairman, and this is under Sub-head 5, Conveyance of Mails. Am I right in saying that the mail although really posted on Saturday morning and collected before the plane for Britain leaves our airport, is not delivered on that day and if that is so so could the Minister

explain why and could he do everything possible to try and see if that could be done?

HON H J ZAMMITT:

I do not understand the Hon Member. Is he saying that mail that we collect here on a Saturday morning is not despatched on the Saturday? Yes, that is so, Mr Chairman. An aircraft that now arrives on a Saturday because we did not have an aircraft until a few weeks ago on a Saturday, is received here on the Saturday it is not delivered until the Monday and it is purely a question, Mr Chairman, that if we did so it would be an enormous expense of having to pay overtime.

HON MAJOR R J PELIZA:

I think the Minister has misunderstood my question. What I said is mail actually posted in Gibraltar on a Saturday morning. That is not despatched, I understand by air to England on Saturday and could it be done?

HON H J ZAMMITT:

That is done, Sir. That is exactly what I was trying to clarify that our mail does go on a Saturday but we cannot deliver on a Saturday the in-coming mail. Our mail leaves on the day.

HON P J ISOLA:

I am glad to hear that from the Minister because I was at the Post Office last Saturday morning collecting my mail and I asked a sorter there whether any mail was going to England on that day and he told me no, it does on Sunday.

HON H J ZAMMITT:

This is why I am saying because we have only had a Saturday flight for the last three or four Saturdays, prior to that we had non-departure from Gibraltar on a Saturday.

HON P J ISOLA:

Is the Minister aware of a piece of paper that has been sent only ten days ago and I think all the people who have PO boxes had it and it has gone up in different places which gives latest posting time for airmail services to England

and it gives a latest posting time for Friday of 11 and then no posting time for Saturday and then Sunday. Saturday is left out. This is in a piece of paper or a notice that has been issued by the Post Office and I can assure the Minister it cannot be more than two weeks old, perhaps he will look into it because I have got a copy.

HON H J ZAMMITT:

I will certainly look into it, Mr Chairman. I can inform the Hon Member and the House that of course it would be impossible for the Post Office to despatch mail to England posted after a particular time on a Saturday morning.

Other Charges was agreed to.

(2) Philatelic Bureau - Personal Emoluments was agreed to.

Other Charges was agreed to.

Head 17 - Post Office, Savings Bank and Philatelic Bureau was agreed to.

Head 18 - Prison - Personal Emoluments

HON P J ISOLA:

Could I ask, as far as the prison service is concerned are they a disciplined force subject to the discipline, for example, the police is?

HON MAJOR F J DELLIPIANI:

Mr Chairman, I am not in a position to answer this because the question of discipline of the service does not come under me.

HON ATTORNEY-GENERAL:

Mr Chairman, I apologise from being absent from the Chamber when this was asked. The position regarding the prison force I think is correctly yes that they are, but I think that needs to be explained and broken down into two elements. Within the prison service itself the Superintendent has disciplinary powers over his officers but I think as a whole, as public officers, the prison warders or the prison officers are all accountable under the ordinary public service procedures on disciplinary matters. I do not know whether I have made

myself clear but what I am trying to say is in principle they all come under the general disciplinary control that applies throughout the public service and underneath that I think it is correct to say that inside the prison the Superintendent, obviously, would have authority over his officers to an extent which you would not normally come across a Government department and in that sense I would say yes they are a disciplined service.

HON P J ISOLA:

Can I then be told how it is that prison officers can black and refuse to put on their uniforms whilst on duty? I would imagine if that happened in the Police Force I do not know what would happen, there was really the purport of my question.

HON ATTORNEY-GENERAL:

I quite agree with the Hon Member it is a disciplinary matter and they have duties as disciplined officers to carry out and I think that they are in the same position as the police in this respect.

HON P J ISOLA:

In that case can I ask the Hon and Learned Attorney-General is it a fact that the report in today's Chronicle that they were in fact doing duty without having their uniforms on is correct? Without their full uniform, is that correct?

HON ATTORNEY-GENERAL:

I am not in a position to say as a matter of fact whether or not that is correct but it appears it would be correct, yes.

HON P J ISOLA:

So if that is so, what happens? I am an interested bystander, almost, because I can just imagine that if it is a disciplined force and they can do it, who knows, tomorrow we might find the police who have been told to check on rubbish piles deciding that they have got a dispute and not putting their uniforms on.

HON ATTORNEY-GENERAL:

If I can confine myself to the prison service, Mr Chairman, I am sure the situation will not be allowed to develop to that stage.

Personal Emoluments was agreed to.

Other Charges was agreed to.

Special Expenditure

HON P J ISOLA:

I do not know whether it is tactful to ask a question here, Mr Chairman. There is a substantial increase in the vote but it does include, I notice, a re-vote. Is it that the security measures that were thought necessary were not taken last year and they are going to be taken this year? I notice it is a re-vote of £1,700 and nothing seems to have been done, or very little.

HON MAJOR F J DELLIPIANI:

The £1,700 we did not spend that time. Security measures is a continuing process of improvement. I would not like to give you the details of what we are doing, I will give it to you afterwards.

HON P J ISOLA:

The revised estimates shows an expenditure of £500, the approved estimates was £1,700 and the re-vote is £1,700, I presume the re-vote is only £1,200.

Special Expenditure was agreed to.

Head 18 - Prison was agreed to.

Head 19 - Public Works - Personal Emoluments

HON W T SCOTT:

Mr Chairman, I note there is a drop in establishment. The Personal Emoluments have gone up slightly and with the lack of development that there has been would the Government comment whether they would continue as a matter of policy

to employ so many professionals within that department where the output is not entirely out of their own control cannot be taken up by Government and the local community benefit from that work?

HON M K FEATHERSTONE:

Sir, if you look at the supernumerary staff the number of graduate engineers and technicians has decreased, this is because these gentlemen who were previously supernumerary have now gone into the permanent establishment taking the place of expatriates.

HON W T SCOTT:

But does the Government not consider that with the fall of development that there has been over the last few years that the situation has been reached where the output of these people is not reflected, the profession is not reflected through building, through general development and so forth and is this trend going to continue?

HON M K FEATHERSTONE:

I would say that over the period 1980/82 it was fully reflected. The actual 1982/83 period, there was less development actually done but my staff has got quite a lot of work prepared for any new development programme and this year the development fund is hoping to spend £10m which will get off the ground very quickly, in fact, I think there are four or five projects waiting to go out to tender as soon as this House has passed the money. This is work that they have been doing in the past year which has not been seen but is going to mean that the development programme in the next stage can get off the ground much more quickly than normally has occurred at times when a development scheme has been suggested and then it has taken eight, nine, twelve months before it actually starts to come to fruition.

HON W T SCOTT:

Mr Chairman, but since work and drawings that were prepared two, three or four years ago are now coming on stream what work is there for these professionals or presumably they would have normally prepared work last year for next year but the work that is going to be done this year and next year was prepared three or four years ago?

HON M K FEATHERSTONE:

They have, for example, the Gasworks site where they have done the drawings for the first phase, they can be getting prepared for the second phase, Engineer House they can be preparing that, there are many areas. I think they are reasonably occupied. There is always a certain analogy to a piece of elastic, a piece of elastic may have to expand to twelve inches in length when its normal length is four inches. You would not say at any time cut off one of the four inches and make it three because it is not being used because when you want it to expand to twelve inches it would not be able to do so. It is always an advantage to have, perhaps, at times a little bit of spare capacity so that it is there for the moment when you want to put it fully to work, specially with the difficulty of recruiting when you do need the people. We did see some six or seven years ago when we were pushing the development programme we were hampered very considerably because we could not recruit sometimes for a period of six to nine months.

HON W T SCOTT:

I am saying that, Mr Chairman, because I think it was last month we asked for a list of the consultancies that Government had been involved in and paid either directly or indirectly through the ODA for a number of years and it seems to me that there could be a situation where there is spare work capacity within the professionals in the department of PWD so that those consultancies could be met at a local level by the establishment because it seems to me, Mr Chairman, never in Gibraltar have we had so many professional people and never have we ever paid for so many consultancies.

HON M K FEATHERSTONE:

I take your point and I will look into it as far as possible future consultancies are concerned but sometimes the consultancy is on a higher level than the skills of the local people actually concerned.

HON W T SCOTT:

Yes, Mr Chairman, but on ODA funded projects where there are architects, chartered surveyors, quantity surveyors, chartered engineers, consultant engineers, all this work to a very great extent could be done by local people.

MR SPEAKER:

The point has been made. Any other matters on Personal Emoluments?

HON G T RESTANO:

Under Gratuities. I notice that there is a little mark there which I suppose means it is reserved. How can a gratuity be reserved?

HON M K FEATHERSTONE:

It simply means that we cannot spend it on anything other than gratuities.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It means that the Financial and Development Secretary does not put it back into the personal emoluments if a person does not go, it is merely a device to make sure that it goes on reserve.

HON P J ISOLA:

On the Public Works Department, Mr Chairman, I would advise the Financial and Development Secretary to put a lot of these stars in a lot of places.

HON W T SCOTT:

Since we are dealing, Mr Chairman, with a substantial number of professional people within that department, there is almost a 10% element of overtime. Would the Minister comment on that?

HON M K FEATHERSTONE:

Yes, Sir, much of this overtime is regular overtime in some of the lower grades where they are the PTO IV's, PTO III's supervising industrial staff. As you know industrial is geared to 39 hours a week, non-industrial staff is geared to 37 and therefore they have to stay on two hours to supervise the industrial staff so this is basically a fair measure of regular overtime.

HON W T SCOTT:

It is basically PTO III's and PTO IV's.

HON M K FEATHERSTONE:

Yes, it is only in the lower supervisory grades.

Personal Emoluments was agreed to.

Other Charges

HON W T SCOTT:

Mr Chairman, I see that between Sub-heads 2, 3 and 5, it seems to be very similar - General and Office Expenses, Office Furniture, Office Equipment. Can we have some explanation on that?

HON M K FEATHERSTONE:

The General and Office Expenses, Sir, basically takes in a small amount of incidental expenses, postage, but most of the money is cleaning of the offices and the actual cost of industrial operating printing machine, those are the General and Office Expenses. Office Furniture, I think, is self explanatory. Electricity and Water is self explanatory. Office Equipment and Drawing Office Materials - this basically is the hire of the photocopy machine that we have and then the printing paper and general materials and ammonia, polyester film and tracing sheets in the actual Drawing Office. The figure is a little higher this year because we expect to do a certain amount of extra work consonant on the fact that the City Plan is being produced this year.

HON W T SCOTT:

Presumably when the Minister talks of a photocopying machine and the hire of it he was talking about the drawings?

HON M K FEATHERSTONE:

No, this is an ordinary photocopier, this is Rank Xerox photocopy machine.

HON W T SCOTT:

The drawing photocopying machine is the property of the department, is it not?

HON M K FEATHERSTONE:

Yes.

HON W T SCOTT:

Mr Chairman, the very substantial drop in Unallocated Stores I presume is due to the explanation that the Minister, I think, gave us on supplementary estimates, I think, a month or two ago?

HON M K FEATHERSTONE:

Yes, Sir. As I said it does tend to go in cycles. If you look at the actual expenditure in 1981/82 it was only £4,000. We are hoping that cycle is going to repeat itself. This will be one of the years where we can contain the expenditure very much within the figure that we have estimated.

HON W T SCOTT:

I have asked this question in other budgets, Mr Chairman, Sub-head 7 the Lighterage and Landing Charges refers to the unallocated stores element and where we had lighterage and landing charges of £3,000 on a sum of £20,000, £3,800 on a sum of £93,000, now this coming year we have lighterage and landing charges of £3,500 on a stores element of £10,000, that is 35%. If you have to maintain yourself in a local business and pay 35% lighterage and landing charges you would not survive very long.

HON M K FEATHERSTONE:

No, Sir, with the greatest respect, the Hon Mr Scott has not read unallocated stores fully. If he reads the smaller print it says - "purchases, freight and other charges £430,000", and it is on that that we are paying £3,500 lighterage and landing but of course we are importing £430,000, we hope to issue £420,000 but the actual £3,500 refers to the total imports of £430,000.

HON W T SCOTT:

I am very well aware of that and I thank the Minister because this is the precise point I have brought up on other budgets because the cost of the purchases, the freight element and other charges on those purchases intended for other Heads which have rightly been passed over to the other Head, should not the pro rata element of lighterage and landing charges also be passed on to the other Heads?

HON M K FEATHERSTONE:

I think they are when the actual costing is worked out.

HON W T SCOTT:

Well, it is not reflected here.

HON M K FEATHERSTONE:

Yes, it would appear in the £420,000. If, for example, your goods of £430,000 are up-graded by £3,500 then of that £420,000 is what you actually give out plus the £3,500 in proportion.

HON W T SCOTT:

In which case we are left with £335,000 exclusively for Public Works.

HON M K FEATHERSTONE:

No, Sir, I do not agree with your assessment.

HON W T SCOTT:

On Sub-head 8, Mr Chairman. I see that the vote on Training of Apprentices and Trainees is also down, in fact it was down almost £20,000 between the approved and the revised and it is now even at a lower level for this coming year.

HON M K FEATHERSTONE:

Yes, Sir, the reasons for this are various. First of all, it is training of apprentices and trainees. We have less trainees left in the pipeline and so the amount being spent

on them is less and also the number of apprentices who are in their third and fourth year are also less than they were last year. We took ten apprentices last year, we are taking the same number this year. In the second year of apprenticeships there are twelve, in the third year there are only eight and I think in the fourth year there are fourteen. This has varied over the years and naturally as the older ones work through if the numbers that have come in to replace them have been less, and we did take less apprentices in the last three years than we had in the previous years, then, of course, the amount drops. The whole situation of apprentices is an interesting point. In one way we obviously want to do our share in offering opportunities for youth in giving apprenticeships but we are faced with a two-fold difficulty. Firstly, one does not want to take on really more apprentices than one can adequately cope with and we are at the moment taking on more than we cope with because the second point is when they finish their apprenticeship they automatically become craftsmen, this tends to inflate our labour force, firstly in numbers but, secondly, in proportions in which we are getting more and more craftsmen with less and less labourers to support them so we are getting a rather invidious position. However, we do feel that we must take on some apprentices and so we are holding it this year to ten the same as last year but the number of trainees is definitely down.

HON W T SCOTT:

I am sorry to hear that from the Minister and I would ask him to reconsider the decision of not taking over more trainees and apprentices in the light of the increasing unemployment situation in Gibraltar and the fact that a number of young men at apprentice scheme introduction time apply and very few of them although quite a substantial number of them pass their exams, very few of them subsequently get off with an apprenticeship.

Other Charges was agreed to.

The House recessed at 7.45 pm.

THURSDAY THE 21ST APRIL, 1983.

The House resumed at 10.35 a.m.

HON J B PEREZ:

Mr Chairman, before we begin with the next Head I would like to give some information which I undertook to provide to the House yesterday during Committee and this was under the Housing vote. I think it was the Hon Mr Scott who asked in connection with the staircase lighting. It was Sub-head 8 of Head 8 - Housing and the information I have is as follows that all post-1945 dwellings are charged a sum of 35p per week and pre-1945 dwellings are charged 20p per week in connection with staircase lighting and, furthermore, that we do in fact recoup the whole amount specified in the estimates, in other words, it is estimated that the electricity bill for the Housing Department in connection with staircase lighting for the coming year is £65,200. It is estimated that the figures that I have just given of 35p and 20p per week will in fact recoup the whole amount as specified in the Sub-head. The other information I undertook to provide was again under Head 8 - Housing. This was in connection with Sub-head 7, Maintenance of Government Housing. I think it was the Hon Gerald Restano who asked approximately the number of dwellings which the gang of men had rehabilitated in the year and the answer to that is that a total of thirty dwellings were rehabilitated from June to December of last year.

Head 20, Public Works Annually Recurrent -  
Beaches

HON W T SCOTT:

Mr Chairman, before we get on to the particular Sub-Heads, I wonder if I might crave your indulgence and make a number of general comments on this Head because it seems to me that since, I think it was about two years ago, there was an appointment of a second Deputy Director insofar as development was concerned and it was I think the last stage of the division of the PWD into two distinct sections. I think it followed very much on the lines of the Committee of Inquiry and I would have hoped to have seen by now a change in the manner of presentation of Head 19 and Head 20 because if one considers that Head 20 in fact has a certain large element of the establishment which is not shown in that Head, it is shown in Head 19 and all Sub-heads of Head 20 or at least the different sections; beaches, maintenance of buildings, emergency services and so forth, all of that, Mr Chairman, have a PTO section and a works supervisor element within that and I



wonder in fact in the first instance what the Minister would comment on.

HON M K FEATHERSTONE:

I don't quite see the thrust of the Hon Mr Scott's argument. The position has always been and maintains itself at the moment that the non-industrial staff come under Head 19 and the industrial staff and the Other Charges appertaining to such a vote come under Head 20. I cannot see that there is any specific gain in putting the non-industrial staff who are specifically dealing with Head 20 in Head 20, it is just a format that has grown up over many years, I cannot see basically whether any change would serve any useful purpose.

HON W T SCOTT:

Only insofar as, Mr Chairman, the inherent cost of maintenance of buildings, the establishment cost of that is included if one looks at page 69 under (30), (31), (32), (33) and (34). Sewers, exactly the same, Beaches, Cleansing, Gardens, Upper Rock and Cemeteries and what I am driving at, Mr Chairman, is that the cost of maintaining gardens, for example, in Subhead 10 of £176,500 is not the cost of maintaining that, it is commensurately higher.

HON M K FEATHERSTONE:

Yes, Sir, I can see the drift of the Hon Mr Scott's thinking. However, it would be very complicated because we have a Director of Public Works and you would have to share his salary out amongst every department, it would be very difficult to say that he spends 5% of his daily effort on thinking about beaches and 7½% on maintenance of buildings and what have you, the same with the Deputy Director and even on lower grades you do have a high PTO who is in charge of, perhaps, four sections, it is difficult to say how much time he spends on each section, how you would divide his salary. I think it would be so complicated that really the answer you will get will not serve much purpose.

HON W T SCOTT:

I accept that, Mr Chairman, and obviously I think the Minister is trying to drive it to a ridiculous point, with respect, but there is a point in that his department is divided into two very clear and distinct sections and I wondered on that, in fact, this was one of the recommendations, if I remember correctly, of the Committee of Inquiry.

HON M K FEATHERSTONE:

Not exactly.

MR SPEAKER:

In any event let us go to beaches now.

HON G T RESTANO:

When does the official bathing season commence?

HON M K FEATHERSTONE:

May the 1st, Sir.

HON G T RESTANO:

When does Government propose employing lifeguards?

HON M K FEATHERSTONE:

At the beginning of the period when the school start their half-day holidays, I think it is middle of June.

HON G T RESTANO:

Is the Minister not concerned that there would be a month and a half without any lifeguards on the beaches? Does he not consider that this is not a good thing?

HON M K FEATHERSTONE:

This has been done before, Sir, we cannot have lifeguards all the time because we haven't got the money for it and furthermore it is felt that the lifeguards are, firstly, more required during the period when a lot of youngsters go to the beach and, secondly, it is the policy basically to employ returning students, Gibraltar students in the main, as the lifeguards and they would not be available at earlier times otherwise.

HON G T RESTANO:

First of all, Mr Chairman, I don't think that the principle of two wrongs being a right is the policy to be adopted, not because it has been done before is it necessarily a good thing. I would have thought that, fair enough, employing returning students from the end of June or what have you but, surely, with the high unemployment figures that we have today it shouldn't be

too difficult to employ a few people for just a month and a half on that condition.

HON M K FEATHERSTONE:

Well, Sir, I don't think we have the money for it.

Beaches was agreed to.

Maintenance of Buildings

HON W T SCOTT:

Before we get on to that Sub-head, Mr Chairman, I think a few days ago the Minister told us when he was dealing with excessive overtime in the cleansing and rubbish collection section, he did tell us that the department employed 900 people. If one deducts 162 from 900 and we are left with 738, am I correct in assuming that the industrials involved within Head 20 is 738?

HON M K FEATHERSTONE:

No, Sir, it is 900 industrials plus all the non-industrials.

MR SPEAKER:

We are now on Maintenance of Buildings.

HON A J HAYNES:

Under Sub-head 3 - Housing. Can the Minister give us any indication as to which houses he is proposing to repair in this forthcoming year?

HON M K FEATHERSTONE:

No, Sir, not at the moment but I would like to make a little statement on the maintenance of buildings, etc. We have this year looked very severely at the question of maintenance of buildings. I have convinced my Colleagues that over the years the stock of buildings belonging to Government is increasing with the development that we are putting up, in fact, in the last year the stock has increased by some £8m or £9m and I have convinced them that the amount spent on maintenance has to be looked at very carefully and increased wherever possible to maintain the new stock as well as the old stock, of course, in as good a condition as possible. I am happy to say, Sir, that firstly as far as youngsters are concerned we are taking on an extra ten boy labourers this year. Government is putting out Section 23 notices on the private sector and we feel that it is a

little unfair asking the private sector to paint up their properties when certain Government properties are not looking too pristine so we are taking on six extra painters this year and we hope to push ahead with our painting programme. . . . .

HON A J HAYNES:

Mr Chairman, am I going to get an answer?

MR SPEAKER:

You are getting an answer and if you have any further questions to ask you will be entitled to do so. Will you please continue?

HON M K FEATHERSTONE:

We are also taking on a small group of specialised workmen whose basic jobs will be to look after the hospital and the two Comprehensive Schools so that the maintenance that we hope to do this year should be greater than last year to the extent of the extra people employed. It is very invidious at this stage in any proceedings to say exactly which houses we are going to deal with. Through the year the situation varies all the time but we may get a sudden storm and certain houses which hitherto had been considered reasonably good suddenly become in such a condition that we have to deal with them on an emergency basis. I know the areas that the Hon Mr Haynes is very worried about, we have got those programmed but I cannot promise when the programme will be done and I cannot promise that they will be done should something more vital turn up in the meantime.

HON A J HAYNES:

Mr Chairman, as I understand it that is a load of bunkum, with all due respect. Last year we were told that some of the money was for specific projects and the rest of it was for emergencies. Is that the case this year or is the whole lot just for any eventuality and if this is so why the detailed figure? Why not a token sum if it is going to be for an emergency?

HON M K FEATHERSTONE:

Could you repeat that please, Sir, I was reading something that had just been passed to me?

HON A J HAYNES:

Mr Chairman, is the Minister telling us that this sum of

£1.4m is not specified. . . .

MR SPEAKER:

Not quantified, in other words, if you do not know what work you are going to do how you know you are going to spend £1,445,000.

HON M K FEATHERSTONE:

Let me explain to the Hon Member how we work our figures. We work it starting from the premise that we have a certain number of men engaged in maintenance, the total number of men being known, their amount of salaries is known. We also know the normal breakdown of any job as regards materials to salaries, the proportion is usually 70% in wages and 30% in materials. If you put those two together you get a figure which gives you the initial guidelines of the figure that you actually put into the estimates. On top of that we have some extra figures which are put in which allow for such items as allowances, height money, job price contracts, efficiency bonus, works that are done by direct order or tender and the whole total gives us the figures that we put in the estimates. As I said, it is invidious to quantify at this stage any particular items because a great deal of the maintenance work are requisitions which come in on a daily basis from householders and we are receiving, Sir, something like 12,000 requisitions a year and these requisitions vary from a blocked sink to changing a toilet or a whole stockpipe in a block which needs to be changed. They are jobs which vary from £10 to perhaps £250 so it is impossible at this stage to say with any absolute certainty: "This is what we are going to do in the year". What we do say is that we have these number of men, they will be gainfully employed, as far as we possibly can so many men will be put on absolute maintenance, so many men will be put on day-to-day maintenance, so many men will be put on public buildings, etc but there must be flexibility. If we had a tremendous spate of day-to-day maintenance, house complaints etc., we have to move extra men into that sort of work because we cannot leave the public with their houses unattended and so it is invidious to say chapter and verse today, this is what we are going to do in the year, we can only give broad outlines and speak with a rather broadbrush phraseology.

MR SPEAKER:

We must not go into the general principles. We are not going to debate. What are you asking?

HON A J HAYNES:

I require specific information as to whether or not it is proposed to re-modernise or repair Hargraves and Gavino's Dwellings?

HON M K FEATHERSTONE:

I am not prepared to give that information now, Sir, if it can be done it will be done, if it cannot be done it won't be done.

HON G T RESTANO:

Mr Chairman, may I remind the Minister that in February of this year I did ask what the painting programme would be and he said to me that: "The programme for the painting of Crown properties including Government buildings is now in the process of being prepared for work due to commence in April 1983," and when I asked whether he was in a position to inform the House of the details of the programme he said "When the Government has voted the money and during the budget I hope to give some details". Could he not keep to those assurances?

HON M K FEATHERSTONE:

Well, the details I have given, Sir, is that we have increased the painting force by six men. This should give us greater painting opportunities. I do have rough schedules of which areas are going to be done. I am willing to show them to the Honourable Mr Restano. I don't have them to hand but again I must say that we cannot specifically keep to these schedules because other areas may come up and take priority.

On a vote being taken on Maintenance of Buildings all Members voted in favour except the Hon A J Haynes who voted against.

#### Emergency Services and Stores

HON W T SCOTT:

Mr Speaker, can we generally with this subhead and all other subheads have, not necessarily now but in the not too distant future, the necessary information on wages, overtime and allowances on each of the subheads which I am sure the Minister has.

HON M K FEATHERSTONE:

I will do my best to provide it to the Honourable Mr Scott. Perhaps the Honourable the Financial Secretary will give me an extra Clerical Assistant to do all this work which is required.

HON MAJOR R J PELIZA:

Can the Minister state how many night emergencies calls there are over a year and how much they cost on average?

HON M K FEATHERSTONE:

I think we get something like 3,000 calls of which 1,000 are at weekends and 2,000 within the general week.

HON MAJOR R J PELIZA:

I wonder if the Minister could say how much it costs in the weekends and how much they cost in week days and let me have it.

HON M K FEATHERSTONE:

We have investigated what it would cost if it was done by a private contractor and it was considerably more. I think our average costs runs between £14 and £25.

Emergency Service and Stores was agreed to.

#### Gardens

HON A T LODDO:

Could I ask the Minister, in this sum which we will be voting, is there any provision for a possible traffic accident within Alameda Gardens seeing more and more vehicles are driving through it?

HON M K FEATHERSTONE:

I know what the Honourable Member is getting at but I don't think this is specifically to do with Gardens.

HON A J HAYNES:

Mr Speaker, the area beyond Devil's Gap Steps, is the Minister responsible for the cleaning of that area

as part of the Upper Rock?

HON M K FEATHERSTONE:

The Upper Rock is basically all Government property and therefore I would assume that it would come into our area, yes.

HON A J HAYNES:

I should assume that it indicates that it is meant to be theirs and that they haven't done anything about it and certainly if he goes there he will see that nothing has been done about it. Is the Minister satisfied that the optimum efficiency is obtained in the upkeep of gardens and paths? For instance, Mr Chairman, has the Minister assured himself that the water supply and the pressure of that water supply to these areas is adequate?

HON M K FEATHERSTONE:

Most of the water that is supplied is obtained from a well at North Front and I think that that well is quite adequate. In fact, I must say that last year I think the Hon Major Peliza complimented us on the area outside Trafalgar Hill and I think that most of the areas look quite reasonable.

HON A J HAYNES:

I personally commend the Trafalgar Hill area but the point I was trying to make, Mr Chairman, is that for instance in the Court Garden the water pressure is very poor.

MR SPEAKER:

I don't think the Minister is entitled to concern himself with water pressure. You are quite entitled to ask whether he would take the necessary steps to see that it is adequate.

HON A J HAYNES:

I agree. It is a small point but it is one that I am told has been pending for about eighteen months, perhaps the Minister will settle this.

Gardens was agreed to.

#### General

HON A J HAYNES:

On Subhead 14. Does this coastal protection include the Sand Quarry proposals to dig out a wedge at the top of the sand pile to act as a catchment area for falling rocks onto the East side?

HON M K FEATHERSTONE:

No, Sir.

HON A J HAYNES:

Is there any provision of that nature?

HON M K FEATHERSTONE:

That doesn't come into this head at all. This is coastal and Rock Safety protection.

HON A J HAYNES:

What head would that come under?

MR SPEAKER:

Look at your Estimates and so you will find out. That is information that you can easily get for yourself.

HON M K FEATHERSTONE:

Well when the Sand Quarry operation starts working at the upper area where it was originally intended that the quarrying would be done, this in itself will provide a safety against specific rockfalls from the Upper Rock.

HON A J HAYNES:

So there is no interim provision for that?

HON M K FEATHERSTONE:

No, unless there are specific rocks at the very top which are obviously in danger of moving then they would be chained or cemented or what have you.

HON W T SCOTT:

Mr Speaker, on leave and injury pay and sick leave for workmen, I notice that on subhead 16 particularly that has gone down from the revised. Have Government finally found a way in which to reduce that?

HON M K FEATHERSTONE:

We have noted, Sir, in the last few months of last year, since the threat of the closure of the Dockyard loomed up much more ominously, the amount of people taking unauthorised sick leave etc has diminished.

MR SPEAKER:

I understand the Minister has an amendment to Subhead 19.

HON M K FEATHERSTONE:

Yes, Sir. I beg to move that the figures £2,000 under Subhead 19. Subsidiary: Water to Shipping, be deleted and the figures £12,000 substituted therefor. This will be the subsidiary to shipping consequent on the statement made by the Hon Financial and Development Secretary when giving the votes figures.

Mr Speaker put the question which was resolved in the affirmative and the amendment was accordingly passed.

HON W T SCOTT:

Mr Speaker subhead 19 and subhead 54 both deal with water supply to shipping. What is the difference?

HON M K FEATHERSTONE:

The £12,000 is the actual subsidy given to shipping which is charged at the higher rate and the subsidy is given back to them. The £21,000 is the actual cost of supplying the water to shipping and getting water from shipping, that is, the men employed on the pump lines, the bowsers, etc.

General was agreed to.

Highways

HON A T LODDO:

Mr Chairman, under the maintenance and improvements to roads, has any provision been made for the chipping of the kerb stones all along Main Street which are in a dangerous condition?

HON M K FEATHERSTONE:

Yes, Sir, that is part of the scheme that we have got in hand.

HON A T LODDO:

Does that also include the repair of the pavements in Main Street?

HON M K FEATHERSTONE:

The question of repairing the pavements of Main Street unless they are in a very dangerous state is at the moment not exercising our minds too much insofar that we hope that the pedestrianisation scheme may start this year when the whole pavement will actually be taken up and new pavements provided. But of course in little areas where there is some serious need for repairs this will be done.

HON W T SCOTT:

Can I ask, Mr Chairman, what is the Government's plan for the improvement of the roads, what schedules do they have, what roads do they expect to improve?

HON M K FEATHERSTONE:

I don't specifically have that here, Sir, but I can find out and let the Honourable Member know.

HON W T SCOTT:

There is a plan, I mean, it is not in a nebulous state like housing for example?

HON M K FEATHERSTONE:

Normally we take a certain number of roads but again it must be a little bit flexible.

HON P J ISOLA:

Yes, but what is the improvement because I notice two lines down there is a vote for resurfacing.

HON M K FEATHERSTONE:

There are the fitting of kerb stones, the whole resurfacing vote.

MR SPEAKER:

You are being asked to distinguish between maintenance and improvements and resurfacing.

HON M K FEATHERSTONE:

There is maintenance of all sorts of open spaces, steps, walls, ramps, nameplates, but shelters, it all mounts up to this amount

HON G T RESTANO:

I notice there is £50,000 for car parks. Is that a new car park that is going to be built?

HON M K FEATHERSTONE:

Yes, Sir. At the moment we are going to use this vote for two things. Firstly, for building new car parks and, secondly, we are going to use it initially to pay the cost of pay car parks, the cost of wages, etc, but as soon as these car parks start producing revenue then I shall be coming to the House for a supplementary to put the cost of running those car parks on a full footing. The new car parks that we hope to provide some would be at Moorish Castle, some in Devil's Tower Road. If you go round Gibraltar you will find certain areas in the last year were done and I think Queensway was done to some extent, pavements have been widened or cut into and car parks made, also opposite Marina Court, etc.

Highways was agreed to.

Mechanical was agreed to.

Pumping was agreed to.

Sanitation

HON A T LODDO:

Mr Chairman, I notice that under Sanitation in every subhead bar one there is a fantastic increase. In one of them, disposal of refuse, we are down by £40,000. How can one thing be explained as opposed to the other?

HON M K FEATHERSTONE:

Well, last year, Sir, the sum of £200,000 had pre-supposed that we were going to put a double shift. This was refused by the men and we worked on, as I have already said, a single shift with very long hours. We had hoped to be able to reduce that single shift. I may have to increase the £160,000 to somewhat higher figure, possibly by saving the money somewhere else in my

department without having to come here for a supplementary but the aim is to do the number of hours required to burn the refuse in no excess whatsoever.

HON A T LODDO:

Mr Chairman, does this mean that in fact the number of hours that are going to be needed to dispose of the refuse will be on an overtime basis rather than the two shifts?

HON M K FEATHERSTONE:

This is a question that we will have to negotiate with the men. In the first instance I think we will offer them the possibility of the overtime basis, if they still remain adamant and do not wish it we will have to consider the two shift basis. Later on in the year if unemployment becomes very rife and if the policy is to give as much employment as possible and share the cake as equally as possible, we may have to go to the two shift system anyway.

HON P J ISOLA:

Mr Chairman, this emphasises what I was saying in my own Budget contribution on the question of cost consciousness, of the pressures there would be at the end of the year on the Government to take on more employees. What we are anxious to see is the refuse cleared, the streets clean and cost consciousness and control and management of this area by the Government and we find very little evidence of this at the present time. As far as this particular vote is concerned, which is nearly a million pounds, we believe that we should have a better product so we will vote against.

HON M K FEATHERSTONE:

When we say nearly a million pounds this includes, for example, the sewers which are working very satisfactorily, the collection of refuse is working quite satisfactorily, the cleaning of highways I dealt with in my speech. I said that we would be possibly offering some improvement to the actual set-up at the moment and of course the whole question of disposal of refuse is if not a specific industrial dispute at least there is a certain matter of contention between the men and ourselves as to the hours to be worked but we are cost conscious. I would mention that putting in a double shift is often more expensive although obviously

gives, as I said earlier, a better share of the cake to more people.

HON G T RESTANO:

I have a question on the collection of refuse. The Minister has on two occasions given assurances in this House and to me, in writing, that the last collection up Main Street would not start earlier than 9.30 am but this is not happening. Can the Minister explain why this is so in spite of assurances?

HON M K FEATHERSTONE:

Sir, we have looked at this matter very carefully. There have been certain requests from the actual men concerned who, as the Honourable member must know, are on a task basis. The latest state of play which I think is not an unfair state of play is that they may start sometime between 9 and 9.15, do a run up Main Street, remove the majority of refuse which they will probably have done by a quarter to 10 or 10 o'clock and then do a final run so that if anybody has put their refuse out just on 9.30 it will be collected. This will mean that although they may start earlier by the end of the round at, say, 10.30, Main Street will be clean.

HON G T RESTANO:

I am satisfied with that, Sir, but would the Minister make this public?

HON M K FEATHERSTONE:

Yes, I will as soon as we have it definitely agreed with the men. I am saying that is the state of play, we haven't yet come to an absolute firm agreement.

HON P J ISOLA:

When the Minister talks of agreeing with the men is he talking of agreeing with the men individually or with the union?

HON M K FEATHERSTONE:

It is with the Union.

HON W T SCOTT:

Mr Speaker, on subhead 41 Toilets. I think we have often talked about it here.

MR SPEAKER:

We have, indeed. Yes.

HON W T SCOTT:

Particularly the toilets for cruise liners on the North Mole which seem to be in such a dilapidated state that they are virtually non-existent. Can the Minister say in fact whether within the sharp rise up to £97,000 that he is asking us to vote now, there is an element for the improvements of toilets in that area of Gibraltar?

HON M K FEATHERSTONE:

I can't specifically say that area but I will look into it and do my best to see if they can be improved.

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

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

The following Hon Members voted against:

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

The following Hon Member was absent from the Chamber:

The Hon J Bossano

Sanitation was accordingly passed.

Salt Water Supply was agreed to.

Potable Water Supply

HON M K FEATHERSTONE:

If I can just make a little statement on the Potable Water Supply?

MR SPEAKER:

Most certainly.

HON M K FEATHERSTONE:

The Honourable Mr Restano assuming that the Gibraltar Chronicle quoted him correctly, apparently said on the increase in water charges Government had not given any reasons for this so he assumed the taxpayer had again paid for Government inefficiency in this department. Firstly I would take issue with this "again to pay for Government inefficiency." This means that inefficiency has been going on for a long time. I will not agree that there is inefficiency in this department and he made later a comment that this was possibly due to the high ratio of water losses. Sir, I know the Honourable Mr Scott gives a lot of credence to computers, I sympathise with him in many ways. The billing of water is done by Government computer and my department does not fully wish to take the figures that they give us at face value but should we take the figures churned out by the Government computer and should we use those figures to assess the water losses for last year, the losses work out to the figure of 7.8%. This seems to be too low for the department, it seems to be too good we can hardly believe it. We would think that there may be some computer error in the actual amount that they state has been billed and that the losses would be somewhat higher. But if the computer is right then the losses are 7.8% and I think this is a very, very creditable figure so I don't think that the claim or the allegation of inefficiency in the department is really justified.

MR SPEAKER:

You did say when you spoke on the general principles of the Bill that you expected the losses to be in the region of 15%.

HON M K FEATHERSTONE:

Yes, Sir, this is the figure that my department normally expects, something between 13% to 20% with 15% as the average. But it has worked out this year, as I say, from the figures supplied to us,



7.8% which is a really fantastic figure.

HON W T SCOTT:

Mr Speaker, if I might make a general comment: It seems that last year because of the extra cost of the importation of water, we had a very sharp rise there. The rise is not reflected in this coming year and the extra on the distillers and the small addition to the pumping does not reflect the water situation as we might find it next year unless of course the Minister expects some more rain and would he care to comment on that or is it that the distillers are working more efficiently?

HON M K FEATHERSTONE:

Well, Sir, the sharp rise in last year was the fact that because we had had such a poor year of rain we had to import much more than we had normally budgeted for. Obviously we cannot say this year because we don't know what rains we are going to get in the early winter period. November and December can be very wet months but if they provided the normal rainfall then we will keep in the parameters that we have estimated. If, of course, we had another, and this I think would be the fourth year of very low rainfall, then of course I might have to come to the House for a supplementary as I did last year.

HON W T SCOTT:

On the importation of water I think we have restricted ourselves to Morocco at least as far as the importation of it, have any investigations been carried out on North Africa or another country that might perhaps be able to supply us at a cheaper rate?

HON M K FEATHERSTONE:

Yes, Sir, we have investigated very many areas, we have investigated Algeria, we have investigated Tunisia, we have investigated Italy and we have investigated Portugal. All of these areas would work out to be more expensive plus a very great capital outlay by whoever might be the operator whether it was Government itself or some private individual in a more substantial and much larger tanker to actually do it and the other difficulties that we foresee is that in most of these areas when we actually need the water which is in a time of summer and a time of drought they themselves are short of water and might not be able to supply it. We have up to the moment been very fortunate with our present suppliers because in many instances their own city has been very severely

restricted with water supply and yet we have always managed to get what we require.

HON A T LODDO:

Mr Chairman, on the importation of water. Can the Minister guarantee to this House or assure this House that on no occasion water which has been imported has been directly pumped into the sea, because I have been informed that this has happened in more than one occasion.

HON M K FEATHERSTONE:

Directly pumped into the sea?

HON A T LODDO:

That is correct. Pumped straight out of the hold into the sea.

HON M K FEATHERSTONE:

The only time I think that this might occur is that when the water comes in it is tested by the health authorities, should they find something wrong with it, for example, it might have got oil pollution or something, then they would obviously condemn the water and it would be pumped into the sea. Under normal circumstances this of course would not occur but should the water be contaminated then this is the only answer that you would pump out into the sea, clean out your tanks, and then use them again for another voyage.

HON A T LODDO:

Mr Chairman, in the case of the water arriving in a contaminated condition and having obviously to be pumped straight out into the sea, who pays for that?

HON M K FEATHERSTONE:

I think this is covered by the supplier. We only pay for water which we actually pump into the reservoirs.

HON A T LODDO:

Mr Chairman, would the Minister please find out and let me know because "I think" is not good enough.

HON M K FEATHERSTONE:

Yes, I will let you know.

HON P J ISOLA:

Mr Speaker, is it cheaper to import than to distil?

HON M K FEATHERSTONE:

Yes, Sir. The breakdown at the moment of complete costs or let us say initial costs, imported water costs £2.91 per ton and absolute costs £3.64 per ton. By absolute costs this allows for all the expenses of getting it into the Waterworks and subsequently distributing it. The VTE distiller works out an absolute cost of £4.47 per ton and the North Phase distiller works out at £4.45 per ton. Obviously we hope with the new distillers if we get them and if they are coming into service reasonably soon with waste heat we should get a considerable reduction so that perhaps the figures will be comparable with imported water. Of course the big difference in the distilled price of water depends on the capital charges involved in the actual schemes.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, if I may add to that that I have just had an initial report from Coopers & Lybrand on water carriage and they carefully looked at this in the context of the Dockyard facility and they say quite definitely that distilled water from distillers provided on the grant would be cheaper than imported water.

HON G T RESTANO:

I remember that the North Face Distiller was considerably cheaper than the VTE distiller and I notice that now they are more or less the same price. Is it that the VTE distiller has come down in price or that the North Face has gone up in price?

HON M K FEATHERSTONE:

It is basically that the VTE has maintained its price whereas the North Face has got more expensive since it is not producing to so high a performance ratio as it was before. It used to perform somewhere around 85%, now it has dropped off because of its old age to something like 65%. This means that we are getting less water for the same amount of fuel and power, etc. and therefore the costs have gone up.

HON G T RESTANO:

I presume that that North Front Distiller is due for a write-off soon.

HON M K FEATHERSTONE:

Yes, Sir, it should have been written-off two or three years ago but thanks to the wonderful efforts of my water staff and engineering staff they have managed to keep it going for at least three years beyond its normal useful life.

HON P J ISOLA:

Mr Speaker, if that is the case why not write it off and rely more on importation of water which is almost half the price?

HON M K FEATHERSTONE:

There are basically two reasons for that, Sir. One is that we cannot get more imported water as easily as we would like because basically the amount of water that can be actually carried by tanker is limited unless one was to invest in a new and larger tanker and of course even if one were to do so one couldn't guarantee that the supplying area could give us all the water that we want. I wouldn't like it to be said in public that we are getting actually more water than the suppliers initially wanted to give us. The other reason, of course, is that we want to keep the North Face distiller working as much as we can so that it is available during the period of time when the VTE distiller is under maintenance.

HON A J HAYNES:

Mr Chairman, does the Minister have any proposals for that North Face distiller? If it is written-off will it be replaced by new machinery?

HON M K FEATHERSTONE:

We have applied to ODA for a new distiller which we have already accepted the tender for and which will be paid hopefully by ODA if not it will have to be paid for by itself and we also have the option of a second distiller which again we hope will also be able to come through from ODA. These two distillers which will work at a higher capacity or performance ratio will more than supplement the North Face and the VTE when that is also phased out.

HON A J HAYNES:

These new distillers I understand are going to be situated near the power station to run off the energy from the power station?

HON M K FEATHERSTONE:

Yes, that is correct.

HON A J HAYNES:

Then what is going to happen to the actual building?

HON M K FEATHERSTONE:

I presume eventually they will be knocked down and that area will be available for some other development.

Potable Water supply was agreed to.

#### Cemeteries

HON A T LODDO:

Mr Chairman, I have noticed a very sharp increase in the upkeep of the Cemetery. Could the Minister comment on that, please.

HON M K FEATHERSTONE:

Yes, Sir, partly we have taken on extra men to be able to provide for keeping the cemetery much cleaner and we are also carrying out this year some essential improvement to the Mess Room for the men and the pathways. If you have been round recently you will have seen that many of the pathways have been tarmaced and we hope to bring the cemetery up to a higher standard than it has been before.

HON A T LODDO:

Mr Chairman, how many men actually have been employed?

HON M K FEATHERSTONE:

Five.

HON A T LODDO:

How many do we have now in the cemetery altogether.

HON M K FEATHERSTONE:

Twelve, Sir. Seven are specific gravediggers who are supposed to help clean the cemetery when they are not digging graves but they always seem to be digging graves. There are five men who are exclusively on the task of keeping the cemetery clean. These are the extra new men

which we hope will in the next year or so put the cemetery into a much happier state.

MR SPEAKER:

Not for the inmates.

HON P J ISOLA:

The question of digging graves, isn't that something that is easily ascertainable? You know how many people die every day and are buried or those people dying who are not being buried or people being buried who have not died?

HON M K FEATHERSTONE:

No, Sir, but they undertake other work besides the actual digging of an immediate grave such as preparing vaults, etc. This of course is done now as a Government operation and is charged by Government on the actual person concerned.

HON A T LODDO:

Mr Chairman, I wouldn't like to disappoint the Honourable Chief Minister so I will ask this question. Is any provision made here for refurbishing the two toilets in the Cemetery. There are two and they are not in a very good state.

MR SPEAKER:

Have you had any complaints from the inmates?

HON M K FEATHERSTONE:

There is no specific provision but I will have a look at the toilets. None of the inmates have actually complained.

HON A T LODDO:

No, but the visitors do.

Cemeteries was agreed to.

#### Recreation and Sport

Personal Emoluments.

HON H J ZAMMITT:

Mr Chairman, Sir, before I go on to this, with your leave

may I say, Sir, may I be allowed to clarify for the benefit of the Hon Major Peliza under Head 17 Post Office Item 5, the conveyance of Mail, and I think the Hon and learned Leader of the Opposition also asked on this. I am sorry, Sir I may have misled the House. The situation on the Saturday collection of mail is that mail posted up to Friday leave on that same day. Any mail posted after 11 a.m. on Friday is not sorted on the Saturday but is sorted and departs on the Sunday flight and not on the Saturday flight. The reason for this Mr Chairman, Sir, is the cost element, that it would require to have Sorters on a Saturday which would be to the tune of £10,600 and secondly and more important indeed is the fact that mail arriving in England on the Saturday or on a Sunday is not delivered until the Monday. If we were to send mail on a Saturday it could be sorted out in England but not delivered until the Monday so there is no advantage in sending it on a Saturday at all. As regards the Honourable Member's question, he is absolutely right, there was a circular sent in the PO Boxes on the 27th March this year giving all these details and I am sorry, Mr Chairman, if I gave any other impression as regards the Saturday collection despatched from Gibraltar.

HON P J ISOLA:

Could I make two points on that. As I understand the position in England the mail is not moved around on a Sunday but it is moved around on a Saturday so therefore there is some advantage in getting it on a Saturday. The Saturday mail will be delivered on Monday morning but the mail that arrives on the Sunday will not be delivered in England on the Monday morning it will be Tuesday morning, that is my personal experience. That is one point I would like to make. The second point, Mr Chairman, is that there is merit in putting mail on the Saturday; not necessarily using the Saturday morning sorting. Have a later time for mail on the Friday which still catches the Saturday mail. The Minister talks of eleven o'clock in the morning, there is a lot of business mail, a lot of personal mail that is posted during the day on Friday. Without touching the Saturday position couldn't he enquire to see whether the mail could in fact be put on the Saturday plane. I think it makes quite a difference at the other end and, Mr Speaker, if there is a daily air service to England it is odd that there shouldn't be a daily air mail service having regard to the revenue at the Post Office gets from the people who pay to send the mail. I think he will find that there is a very big difference between mail going on a Sunday and mail going on a Saturday. As far as delivery at the other end, as far as international flights

are concerned from England on to other countries it makes more than a day's difference. I would really ask him to look into that.

HON H J ZAMMITT:

I will certainly look into that, Mr Chairman. I am informed that if mail was to leave on a Saturday it goes to Redhill and is left there but I will certainly take it up and see if there is a way we can do it. On the other point, Mr Chairman, also that I committed myself to find out some information and that was regarding the Social Insurance Stamps. Of course I should have said that the Post Office is offering a service for the Labour and Social Security Department and the matter will be referred by the Director of Postal Services to the Director of the Labour and Social Security if there is a way in which it can be solved but I must say once again, Sir, that I checked with my Director this morning and we have received no complaints at all at the Post Office of any aspect at all on the question of the collection of stamps.

HON MAJOR R J PELIZA:

I have one comment, Mr Speaker, on the mail collection and despatch. I think the Minister should bear in mind how important that is from the point of view, particularly now, from the point of view of this being a financial centre. If it means that the Post Office will have to fork out some more money I think he should give very careful consideration to the matter because I think it is worth it.

MR SPEAKER:

The point has been made and I am sure the Minister will take it up. We are at Personal Emoluments of Head 21. Recreation and Sport.

Personal Emoluments was agreed to.

Other Charges

HON A T LODDO:

Mr Chairman, on the telephone service. Would not the Minister agree that at £1,000 per telephone with a staff of six is rather high?

HON H J ZAMMITT:

I don't know how high it is, we have three telephones there

and I would say that I may or may not agree with the situation. There are two lines into the Victoria Stadium and there is also a public telephone and although you have to put your coin into it the Stadium still has to pay the rental. We are paying for three telephones and I don't honestly think excessive use is made. The Stadium doesn't have all that very many international calls. We may have to call somebody in England but very infrequently, it is mainly local calls with Government Departments.

HON W T SCOTT:

Who actually opens the coin box and collects the money is it the Stadium authority or the Telephone Department?

HON H J ZAMMITT:

I think it is the Telephone Department, these coin operated telephones provide a good income for the Telephone Department and in addition they make us pay for the rental.

HON W T SCOTT:

Because if that is true if it is the Telephone Department that collects it then I can't see how they can charge it again under the £1,000.

HON H J ZAMMITT:

They charge a rental for your phone whether there is a shilling in it or there is fifty thousand pounds.

HON P J ISOLA:

I don't want the details of it but can the Minister explain why in the case of salaries the expected rise is 6% and in the case of wages it is 13%. Is there any particular reason?

HON H J ZAMMITT:

I think the wage increase to non-industrial was something in the region of 7% but we have a situation there where the HEO, the Sports Manager, there is some ambiguity and some problem with the analogue which has not yet come through and there is probably a slight change there. The wages come under the industrial side.

HON P J ISOLA:

Yes but there is 13% increase where wages are concerned

and only 6% where salaries are concerned.

HON H J ZAMMITT:

There are two reasons for it. One was the diminishing of the 39-hour work, 40 to 39, which inflates the overtime rate somewhat more and of course as I tried to explain the other day they are on 39 hours whether they do a 39 hour from a Monday to a Friday or a 39 hour from a Wednesday to a Sunday but of course working on a Saturday or a Sunday you have to pay them the corresponding increases.

Other Charges were agreed to.

#### Special Expenditure

HON A T LODDO:

I notice that under structural alterations to implement charges we have had for two years running a token vote of £100 and this year we haven't got it. Can the Minister explain how he is now going to implement the charges without making use of this token vote for whatever it was going to be used before?

HON H J ZAMMITT:

Mr Speaker, the situation with charges as the Member opposite certainly knows and I suppose other Members know, is a matter that has been under discussion for quite a long time, not having been received with very great enthusiasm by those who all of a sudden are being asked to pay. The frontier situation, or the partial opening of the frontier, has brought about, unfortunately and regrettably, a lack of usage particularly in one sport on the Sunday and because of that it has been decided to leave things in abeyance to see exactly what occurs with the sporting fraternity particularly with one major sport before we actually implement this. There seems to be a consensus that there should be some charge within the Sports Committee.

HON W T SCOTT:

The £100 token that we voted in last year to effect the structural alteration, where was that spent?

HON H J ZAMMITT:

A token vote if you don't spend it, you don't spend it, it's not there, it is only a token.

MR SPEAKER:

It is a frustrated vote.

HON W T SCOTT:

What I am saying is that last year it did appear and it appears that it was spent under the revised estimates.

HON H J ZAMMITT:

No. Provision is made for a token vote. If it is used it would probably have been much more than £100 and therefore there would have been provision but there has been no use at all of it so it has been squashed out for the time being.

HON A J HAYNES:

Sir, we would like to amend Special Expenditure by the introduction of a new subhead. Contribution to Mini Olympics.

MR SPEAKER:

You cannot amend anything which implies the increase of expenditure.

Special Expenditure was agreed to.

HON ATTORNEY GENERAL:

Before you come to the next item may I answer further a matter which I spoke to yesterday on the Prison as I have some further information. Mr Chairman, I once worked for a person who when I sought to find out information from him quickly he would look rather worried and say it was entirely off the cuff. What I said yesterday was not entirely off the cuff, I am not qualifying it, but I do want to make one thing clear which I think the House will be interested to know and that is that while the prison service is a disciplined service, at the moment there is no express requirement to wear uniform. I think it is clearly an incident of the good order and running of the prison and certainly the view taken by the Superintendent would be that he expects the men to wear uniform and uniforms are provided. There is in fact no specific requirement.

MR SPEAKER:

It is not a condition of service, is that what you are saying?

HON ATTORNEY GENERAL:

It is not an express condition of service but of course he would take the view and I think Government would take the view it is an implicit condition of service. To the extent that it may need to be made explicit, the matter will be looked into.

#### Head 22. Secretariat

##### Personal Emoluments

HON G T RESTANO:

Mr Chairman, is there anybody or more than one person involved specifically with the preparation of General Orders?

HON ATTORNEY GENERAL:

Mr Chairman, it is a matter which is handled in the Establishment Division. There is certainly one officer, I think, who is primarily responsible for the drafting work on it but the Establishment Officer himself is involved and my own Chambers are involved and I am sure other officers within the Secretariat are involved in helping out.

HON G T RESTANO:

Does the Honourable Member have any indication of when the revision will be completed?

HON ATTORNEY GENERAL:

The revision Mr Chairman, has been done in stages and I think at this point we have come through a number of phases, we haven't finally completed it, there is an element of consultation with the Association involved and I would not like to put a time limit on exactly when it will be completed but it is a matter which has been given priority. It is not a small undertaking.

HON P J ISOLA:

Can I ask on personal emoluments, Mr Chairman, what is the need for extra staff and how are they being allocated? I notice there is an increase of 4 in the Secretariat. There seems to be an increase of one Executive Officer, two Clerical Officers and a Clerical Assistant. Where are they all fitted in because the impression one gets in the Secretariat is that they are a bit over-crowded.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Nationality Unit.

Personal Emoluments was agreed to.

Other Charges

HON A J HAYNES:

Sir, on Other Charges under Sub Head 13, Printing of Stationery, is the reduction just simply as per (b) that there has been a reallocation or is there a genuine cut there? Does it mean that the costs in effect are the same but there has been a re-distribution among departments?

HON ATTORNEY GENERAL:

It is a result of re-allocation printing costs are not going down.

HON G T RESTANO:

May I ask what subhead 16, Mayoral Expenses, is all about? It is the first time we have had this.

HON CHIEF MINISTER:

The point is that the entertainment vote last year is more than this year. We have tried to cut it but we couldn't cut it that far and as it always included the mayoral expenses it has now been separated and therefore the entertainment vote which covers all departments and ministries and so on has been kept below the figure for last year but we have put in a separate item so that they can be itemised and we can keep a closer control of the bigger items.

HON P J ISOLA:

If the mayoral expenses have been put separately should this item not really read Mayoral entertainment vote?

HON CHIEF MINISTER:

Yes, perhaps that is a better way. There are no expenses involved except I don't know whether the question of the Driver is included, I don't think, I think that would come under another department.

HON P J ISOLA:

I would be very surprised if the driver was included there, Mr Chairman.

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HON CHIEF MINISTER:

He only has a driver for official functions. He has to be paid overtime and the man is employed somewhere else full-time. Perhaps it could be described as Mayoral entertainment expenses or something like that.

HON P J ISOLA:

The reason I say that is because the next thought I was going to throw, it is not urgent for this year, is whether there should be a mayoral head overing all the expenses of that post. I don't know whether that is possible or practical but it might give an idea of how much it costs to have a Mayor in Gibraltar.

HON W T SCOTT:

On subhead 7, Mr Chairman, Rents of Flats and Offices. I notice a drop there. Is this as a result of a proposed move of a section of the department from rented accommodation?

HON A J CANEPA:

Yes, Mr Speaker, the IRO's offices which were previously privately rented have been given up.

Other Charges were agreed to.

Special Expenditure

HON W T SCOTT:

Mr Chairman, under 81, special expenditure. Enquiries into Departmental Functions and Efficiency - £7500. Presumably this is partly if not totally for the expenses of the Chairman of the Steering Committee and if it isn't is it the intention of Government to appoint another committee of enquiry into another department of Government and if so which department?

HON ATTORNEY GENERAL:

Mr Chairman, the reason for the decrease is that the matter is connected with the Chairmanship of the Electricity Department Steering committee which it is hoped will cease fairly early in the financial year 1983/84 but there is provision for the possibility of another committee. yes.

HON W T SCOTT:

If there is a possibility can Government say to this House

what department it is next thinking of investigating?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I have suggested to the Government, Mr Chairman, that the Treasury might be looked at next.

HON CHIEF MINISTER:

But it is not intended to have a wideranging enquiry like the other two. This would be a rather limited enquiry.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think it would be more linked with getting much of the Treasury work on to a computer and the accounts system.

HON W T SCOTT:

But the salary of the Chairman of the Steering Committee is included in that vote?

HON ATTORNEY GENERAL:

Yes, it is and as I mentioned, Mr Chairman, it is expected that the work of that will cease early in this financial year.

HON P J ISOLA:

Well, I don't share his optimism, certainly not after the answer from the Minister for Municipal Services yesterday when he told us that they would finish when they finished. Can I ask, just to get the thing right. The revised estimates for 1982/83 is £69,000. If I remember rightly we have voted £54,000 supplementary provision in respect of that particular gentleman. Could we have the right figures because we have been a little confused by the general debate.

HON ATTORNEY GENERAL:

If we may we will ascertain and provide the figures for the Honourable the Leader of the Opposition.

Special Expenditure was agreed to.

#### HEAD 23 TELEPHONE SERVICE

Personal Emoluments

HON G T RESTANO:

Sir, may I ask why it has been found necessary to

increase the number of Trunk Operators in a year where International Direct Dialling has been introduced?

HON DR R G VALARINO:

Mr Chairman, Sir, in fact and I wanted to mention this. There are in fact 10 telephone Operators, not 12.

MR SPEAKER:

In other words the establishment is 10 and not 12.

HON DR R G VALARINO:

Yes, there is no financial provision for 12, Sir.

MR SPEAKER:

And there is no increase?

HON DR R G VALARINO:

There is no increase.

HON G T RESTANO:

I notice that there are also three new Telephone Trunk Operator Supervisors. What is the reason for that?

HON DR R G VALARINO:

Yes, Sir. This was a paper that came before Council because we felt we needed Supervisors for the Telephone Trunk Operators and they will deal with a variety of problems some of which were probably dealt before by the clerical officer. The on-call, the leave, the cover, the running of the switchboard as well, reporting of switchboard faults, operator roster, subscriber complaints and recording of statistical data. All in all they will not only be running the switchboard but they will be doing a lot of work some of which was done before by the clerical officers.

HON G T RESTANO:

Mr Chairman, I still think that this year where International Direct Dialling has been introduced, I would have expected to have seen certain cuts in, say, temporary assistance because clearly the work that has to be done by telephone operators is less than it used to be before because in most cases all they have to deal with is Spain and Morocco.



HON DR R G VALARINO:

Mr Chairman, the Honourable Member is quite right, in fact, if he looks down the page and he sees that for the temporary assistance there are eight telephone trunk operators, the contracts of these temporary trunk operators will finish in May or June this year so we shall have eight less operators at that time.

HON G T RESTANO:

Is that reflected in the personal emoluments? I see that there is an increase in salaries and a decrease in overtime and allowances but there is an increase in salaries. If eight telephone trunk operators are going to finish in the department during the year I don't really see it reflected in the figures.

HON DR R G VALARINO:

Mr Chairman, it is reflected in salaries and if the Honourable member would look closely he will find there that there are gratuities for the 8 temporary operators of £12,000. This is payable when they finish their two-year contract.

Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Does the Minister not consider that the Electricity and Water Charges for the Telephone Service seems to be rather high at £10,700 compared to other departments?

HON DR R G VALARINO:

Mr Speaker, Sir, I don't consider them high but I shall endeavour to have another look at them and make sure they are up to scratch and shall report to him eventually on this.

HON G T RESTANO:

Can the Minister explain what subheads 11 and 12 are, Special services and Telephone Advisory Service?

HON DR R G VALARINO:

The Telephone Advisory Service, really, this is a token provision and in fact it was a token provision last year, if I remember rightly, and the Honourable Member

asked the House the same question. This is a token provision just in case we need advice from Telconsult on some aspect of the department eg salaries. That is only a temporary provision. As regards the Special Services, this is the service which is run at the City Hall and they are responsible in the main for connecting the more sophisticated equipment like PABX's and PMBX's and the like. They are really a highly sophisticated and very well trained section of the Telephone Department.

HON G T RESTANO:

Mr Chairman, if I may speak first on the Telephone Advisory Service. This is for advice, possibly on tariffs and so on. My understanding is that a telephone call for the Cadiz area is 66p for 3 minutes whereas the tariff the other way is about 12p for the same amount of time. Why is it so inordinately more expensive?

HON DR R G VALARINO:

Mr Chairman, Sir, in fact if we are referring to the United Kingdom.

HON G T RESTANO:

No, I said the Cadiz area, Spain.

HON DR R G VALARINO:

The Honourable Member unfortunately has chosen the wrong thing to compare with. We get very little revenue, practically none coming from that end therefore on calls from Spain to Gibraltar we get practically peanuts. Therefore the only way to make some money in that direction is to increase the local charge over to Spain. Let me say at this point that the ideal situation would have been to have direct dialling to Spain but unfortunately due to circumstances beyond the control of Gibraltar this is not possible and what we try to do is that the money that we lose from calls coming in we try to obtain from calls going out.

HON G T RESTANO:

It is only fair that something like this should be highlighted when, for example, an increase by certain traders on computer machines is criticised as profiteering. To me, this would seem to me to fall into the same category.

MR SPEAKER:

Well, that is a debatable point.

HON G T RESTANO:

On the special services, Mr Chairman. The coin boxes, for example, at Main Street. Can the Minister say who collects the money from there?

HON DR R G VALARINO:

The coin boxes at Main Street, Sir, we collect the money from them, the Government.

HON G T RESTANO:

Is this the Telephone Department?

HON DR R G VALARINO:

This is at the Telephone Department itself, yes.

HON G T RESTANO:

What element of checking is there between the calls that are actually made and the money which is actually obtained?

HON DR R G VALARINO:

The checking that is done is quite simple because as we have the equipment which checks on international calls therefore the money that is obtained from the telephone box is compared to the amount of money of that telephone number in the exchange. An international call from a coinbox will show up in the exchange. That amount of money will show up in the exchange as well and we are able to compare the figures.

HON G T RESTANO:

Does the Government intend to have more of these telephone boxes?

HON DR R G VALARINO:

Mr Chairman Sir, I mentioned during my speech that we had already installed a tremendous number of coinboxes and throughout Gibraltar and if he looks at the Improvement and Development Fund he will notice that more are envisaged this year.

Other Charges were agreed to.

Head 23. Telephone Service, was agreed to.

#### HEAD 24. Tourist Office

(1) Main Office - Personal Emoluments

HON MAJOR R J PELIZA:

Mr Chairman, under Subhead 1, Salaries. I see that there is an increase of £18,100 and perhaps as they are all connected with salaries, Mr Speaker, I might put the question at the same time; Overtime £800, allowances £300. I wonder if the Minister could give an explanation on those three points.

HON H J ZAMMITT:

Mr Chairman, certainly. The question of the increase of the £18,000 is the 7% increase in wages. The other factor there of overtime is a slight increase on last year, again keeping to the 39-hour week that we have to agree to and therefore it inflates slightly the overtime rates. We are trying to keep overtime to the minimum possible and allowances which are by way of agreement. I cannot expand much further on that.

HON MAJOR R J PELIZA:

On what does the overtime go mostly and also an indication of what the allowances are about?

HON H J ZAMMITT:

Mr Chairman, overtime goes mainly in the Tourist Office between the Messenger Driver and the Clerical staff, the girl on duty at the Airport Terminal on a Sunday and Saturday, the girl that we have now at the Frontier post and incidentals that come from time to time particularly Miss Gibraltar who takes up some overtime. The manning of the Piazza Tourist Office which is open on Saturday morning is also at overtime rates.

HON MAJOR R J PELIZA:

And the allowance?

HON H J ZAMMITT:

The allowances are, Mr Speaker, for people who act in the absence of the Director, the HEO goes up and therefore the EO becomes an HEO and the CO becomes an OC or whatever it is.

Personal Emoluments (Main Office) was agreed to.

Other Charges

HON MAJOR R J PELIZA:

Just a comment on Subhead 4. I notice that there is quite a drop in the maintenance and running expenses from motor vehicles.

HON H J ZAMMITT:

We bought a new car last year and it is under guarantee for a certain period and it is not expected that we will have to incur expenditure in mechanical repairs.

HON MAJOR R J PELIZA:

Mr Speaker, on subhead 8 - Photographs. I see that the sum is £2,900 and this is normally the amount spent. It seems to me a lot of money in photographs and I wonder if the Minister can explain how we spend so much money on photographs?

HON H J ZAMMITT:

Mr Speaker, on photographs it was done by way of tender and we have a nominal sum to pay the successful tenderer and of course the number of photographs that we require in keeping up-to-date. There is a constant demand for photographs by the press, by people in Great Britain in particular and we have to keep them up to date with current photographs.

HON MAJOR R J PELIZA:

Mr Speaker, there is a film which is shown for presenting Gibraltar as a holiday resort, can the Minister say if he is satisfied with the state of that film?

HON H J ZAMMITT:

Mr Speaker, we have two. We have one film which is a little outdated in the sense that it is now I think something like 7 or 8 years old which we are not showing, particularly on trade promotion and we have an up-to-date audio visual. In the case of an audio visual you can insert slots and add some chat to it, but in the case of a film you cannot. We have tried and I have done my best to have an up-to-date film but what we have done is that we have made Videos of the film which we send out to travel agents and also video of the audiovisual for travel agents to be able to show themselves to prospective clients. A film today would cost something in the region of £25,000 to £30,000.

HON MAJOR R J PELIZA:

Would the Minister agree with me that it is vital that when we make those presentations what we see on those films are attractive enough to impress those who are there otherwise it could be counter productive, it might be better not to make a presentation of that nature. If the money has got to be spent in producing the right sort of thing to sell Gibraltar, I think it should be spent since this is one of our main industries in Gibraltar.

HON H J ZAMMITT:

I can assure the Honourable Member and all Members of this House that the Audio Visual is superb and very highly commended by everyone who has seen it, Mr Speaker.

HON G T RESTANO:

On subhead 5 - Electricity and Water. I notice there is an increase of 34% which seems rather high. What is the explanation for that?

HON H J ZAMMITT:

Mr Speaker, the question of water is not just for the water in the offices, it is for the water at the various sites and in particular I must say the biggest source of consumption is the Caravan Parking Site.

HON G T RESTANO:

Don't they pay for their water.

HON H J ZAMMITT:

They do pay, Mr Speaker, an element but a paltry sum, unmetered, uncontrolled. We must find a way of being able to control the taps there, because it has been an abuse, not only by the caravanners but by other people making use of water for washing cars when not supervised by adequate staff.

HON G T RESTANO:

Does the Honourable Member have any idea how we can control this.

HON H J ZAMMITT:

We had thought of meters but of course the cost of installing meters was quite high and in addition we are not very happy about keeping caravanners there in perpetuity.

HON G T RESTANO:

Does he have any idea how to control it?

HON H J ZAMMITT:

Yes, Mr Speaker, we have to do something such as supplying water during particular periods of the day.

HON MAJOR R J PELIZA:

Subhead 11, Staff Training £500. Can the Minister say what this training consists of?

HON H J ZAMMITT:

I must say, Mr Speaker, with great apologies, that I have that page missing. I will certainly get that.

HON MAJOR R J PELIZA:

The next one is subhead 12, Sundry Festivals. Can the Minister say which are the ones that are going to be held this year. I notice that there is an increase. Is that an increase in the cost of the existing one or is it that we have an additional one?

HON H J ZAMMITT:

Mr Speaker, the main bulk of that is absorbed by Miss Gibraltar. In addition to that we are intending to carry out a candlelight exhibition during the month of August in Alameda Gardens, hopefully, but that is a very minor part in that vote. The main chunk is the Miss Gibraltar Contest which is becoming extremely expensive but which I think Members will agree is the only show that we put up for Gibraltar in its entirety, televised, and which we have done successfully for a number of years and which has been certainly in the past few years of a very high standard and if we want the standard, if we want the Miss Gibraltar Contest we have to pay the price.

HON MAJOR R J PELIZA:

Subhead 14, Mr Speaker. Service of airfield after hours. Obviously that is a token vote and so it was I suppose last year but it was not used. I wonder if the Minister could say what that is for?

HON H J ZAMMITT:

Mr Speaker, there was a possibility of night flights

arriving and departing Gibraltar with the Air Europe situation and therefore it was again considered prudent to put a token vote there, and of course we would, as in the past, pay for that. I have just been provided, Mr Speaker, with the information required by the Honourable Member opposite on staff training and I am told it is for the provision of cost of a tourist survey, interviews at airport etc., out of the staff training.

HON A J HAYNES:

Mr Chairman, to go back to subhead 13, Field Sales - Morocco. Can I have a breakdown of what this one involves?

HON H J ZAMMITT:

I would like to say that Morocco is invariably visited monthly by the Director and a Member of the Gibraltar Tourist Office and I am very grateful to Blands who provide free transport to and fro. The idea is to visit the people concerned with Gibraltar, tour operators and travel agencies that deal with Gibraltar, and this last year, as is known, a visit was paid to Rabat and Casablanca.

HON A J HAYNES:

Is this to generate more tourists from Morocco?

HON H J ZAMMITT:

That is the intention.

HON A J HAYNES:

Mr Chairman, I don't want to rake up old scores but the problem with stranded tourists, as he appreciated last time was a serious problem. Can he undertake the necessary measures to ensure that it does not occur again.

MR SPEAKER:

No, you can ask whether there is any vote, or any item which will ensure that.

HON A J HAYNES:

Well, is there any item that will ensure no repetition of that kind of episode?

HON H J ZAMMITT:

No, Mr Speaker, there is no item under this Head that ensures that and I must repeat that I do not think it is Government's duty, or the Tourist Office duty to afford anything other than personal assistance. That is up to the operators.

HON MAJOR R J PELIZA:

In subhead 16, I notice that there is a decrease in the share of fees paid to the exhibitors of £2,400. Is this because the percentage of their fee is down or is it because the collection at the site has gone down?

HON H J ZAMMITT:

Mr Speaker, it is that we are now paying less percentage. We started at 35% and 30% and as from week ending the 13th of February this year we were down to 20%, and as from the 13th of February next year we are down to 15%.

HON MAJOR R J PELIZA:

Can the Minister say if the takings have increased or decreased?

HON H J ZAMMITT:

I answered that in reply to a question by the Honourable and Gallant Major, I think at the adjourned meeting of this House. There certainly has been an increase of visitors to our sites.

Other Charges was agreed to.

#### Special Expenditure.

HON MAJOR R J PELIZA:

Special Expenditure, Subhead 8, Book on Gibraltar by Dr Sparrow, £5,000. It comes as a surprise to me that the Tourist Office is going to pay for the writing of a book, can the Minister explain.

HON H J ZAMMITT:

Mr Speaker, it is quite a lengthy explanation and I hope the House will bear with me. It is a book on Gibraltar Mr Speaker, but I think it is an important book on Gibraltar. Dr Sparrow is a man of extremely high repute and I was very disappointed to see that the only book on Gibraltar that one would find in the

Commonwealth Institute was that epistle written by Dr George Hills and therefore I think that it is vital that we should have something on Gibraltar both on the political and touristic side and I think it is vital that we have something like that.

HON MAJOR R J PELIZA:

Mr Speaker, I cannot see the need for this and I must say that I can't agree with what the Minister is saying. First of all, I am sure that there are plenty of books written on Gibraltar, quite a lot in fact. If there are no books on Gibraltar I would assume it is because someone has not been doing his duty going round the institute, which by the way, I think, the London Office could keep an eye on because it is not only books, the exhibition itself is in a terrible state but I will come to that later. On the book itself, Mr Speaker, I would have thought that it would be much cheaper just to present the institute, not with one book but with a number of books rather than have one written and paid by the Government which will look, I think, a fabrication. Whatever we say, it is paid by the Gibraltar Government and it will not carry the weight, I think, of a book which is written spontaneously and I cannot vote for that, Mr Speaker, on those grounds.

HON H J ZAMMITT:

The book will be distributed, Mr Speaker, that is what we are trying to achieve, not only to the Commonwealth Institute but what does occur is that Her Majesty's Stationery Office did buy a certain number of copies of Dr George Hills book and circulated that one amongst the Commonwealth Institute and amongst many Universities throughout the world. I think that we should now produce a book on Gibraltar. I must say it is not just a political book it is also on the whole set-up of tourism in Gibraltar.

On a vote being taken on Special Expenditure - Main Office, Subhead 80 - Book on Gibraltar by Dr Sparrow, the following Hon Members voted in favour:

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

The following Hon Members voted against:

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

The following Hon Member was absent from the Chamber:

The Hon J Bossano

Special Expenditure was accordingly passed.

London Office - Personal Emoluments.

HON MAJOR R J PELIZA:

Mr Speaker, Allowances, £9,800, could the Minister explain what the allowances are?

HON H J ZAMMITT:

The allowances are a London Allowance that we pay our staff whilst in England. We have to pay them an allowance otherwise we would not get people prepared to go to London.

Personal Emoluments was agreed to.

Other Charges.

HON MAJOR R J PELIZA:

Subhead 2, General Office Expenses. This is again beating the old drum again. I am glad that the Minister is now considering using the office for the philatelic sales.

HON H J ZAMMITT:

No, I have not said that.

HON MAJOR R J PELIZA:

I thought he had said he was considering doing it.

HON H J ZAMMITT:

I said we had considered the question of using the Gibraltar Tourist Office. We are considering it.

HON MAJOR R J PELIZA:

You have considered it.

HON H J ZAMMITT:

Yes, but not that we had agreed to it.

HON MAJOR R J PELIZA:

I said that I am glad that he is considering it, that is a move in the right direction. But would he also consider using the office to project Gibraltar as a financial centre, which I have said before, not necessarily to attract the big bankers, but to attract the small savers. I have had personal enquiries about that so I think that is another thing that they can do and also to project the image of Gibraltar on which the Minister has already agreed to spend £5,000 in publishing a book which I think is going to be counter productive if it is paid by the Gibraltar Government and I think that that money could be better spent in projecting Gibraltar from the Office with existing literature which can be seen to be totally impartial and therefore, Mr Speaker, I would like the Minister to say whether he would consider, not only for the philatelic sales but also for the other three points that I have just made.

HON H J ZAMMITT:

Mr Speaker, I regret to reiterate that it is a Government Tourist Office. We cannot convert the Gibraltar Government Tourist Office into an embassy, into a consulate or into a trade agency. I am sure, however, that any approach made to the London Tourist Office by any sector with interest in Gibraltar will be referred to the pertinent department but I am not prepared to allow the Gibraltar Tourist Office to be used as an embassy or any other thing apart from tourism.

HON MAJOR R J PELIZA:

I am surprised Mr Speaker, that he won't allow that to happen and yet he is prepared to spend £5,000 on almost the same thing. But anyway, obviously they are adamant as usual and there is no point in pursuing the matter further. Perhaps we will have to see a change of Government before people get to know a bit more about Gibraltar in Britain which is so necessary. Could the Minister please undertake to have a look at the display in the Commonwealth Institute in London which is in a terrible state and has been like that for a number of years and their attention has been called to that matter before.

Could they please get someone in this office to look after that area.

HON H J ZAMMITT:

Mr Speaker, I have personally been to the Commonwealth Institute together with the Manager of the London Tourist Office but I must make it absolutely clear that it is not a Tourist Office responsibility. The fact that we happen to have somebody in England goes back to the argument put by the Honourable and Gallant Major that not because the Tourist Office happens to be in London must we accept responsibility for everything that happens in England. This is why I oppose the consular, the embassy or whatever situation. I have been there, I have looked at it, we have had experts looking at it, and we have had guesstimates and we are asking for definite estimates.

HON MAJOR R J PELIZA:

I think I heard the Minister say that the rent is going up considerably and I wonder if the Minister can say whether that will persuade the Government to move to an upstairs office rather than have a ground floor, and also whether perhaps they would find a place which is not so expensive and perhaps in the end even more useful. Could the Minister explain if there are any plans in this connection?

HON H J ZAMMITT:

Mr Speaker, as I mentioned in my intervention on the Finance Bill, yes, we have had indications from the landlord that our rent is to be virtually doubled and we are not at all happy about that. It is quite an exclusive and expensive area and, again, I have personally looked at this together with my Director and the London Office staff and we have asked our solicitors in England and our surveyors to try and find alternative accommodation, not necessarily in the heart of London, but probably in the outskirts. I would not personally be very sympathetic to having an upstairs office somewhere, I think that Gibraltar requires a shop front, ground floor level. Not that it has to be in the Strand or in Trafalgar Square but if we could find somewhere where we could get a tenancy with a reasonable lease, then I think we would look at it very, very favourably.

HON MAJOR R J PELIZA:

I will not quarrel too much with that one with the

Minister because I think there is some merit in what he says provided the rent is right. In choosing the place, I would suggest that first it should be, if possible, in the Victoria area where now we have the terminal and another thing is that it is close to an underground.

HON H J ZAMMITT:

Mr Speaker, I do not know how close we can get but one thing I must explain is that although we would like to stay in London for status as a Government Office, we must not forget that many tour operators are moving out of London, as the Honourable and Gallant Major well knows, because of the fear of increased rents.

HON MAJOR R J PELIZA:

Yes, Mr Speaker, public relations. I see that they spent good money on public relations. £16,500. I would very much like to know what the functions of the public relations are for that amount of money. This, I suppose, has nothing to do with the actual advertisement commission that advertising agents get. I would like to know to what extent this amount is justified. What is it that they do?

HON H J ZAMMITT:

Mr Speaker, I am afraid that it is virtually impossible to measure the result of public relations. We were asked by the Tourist Advisory Board to double our public relations which we virtually did, from £9,000 we went up to £16,000. Their mission, of course, as public relations is to keep Gibraltar in the forefront as much as possible. We have a very good firm, Eric Williams and Partners, a firm of very high repute in England and they have obviously very good contacts with all the press media, with the radio and television stations, and they are constantly asking and of course my staff here are constantly sending material of events in Gibraltar, of whatever is happening in Gibraltar and they publicise it as much as they possibly can. That is the main function. Advertising is a different thing altogether, they work in close liaison but the mission of public relations is to keep the press and the radio and television and information media informed of current affairs of Gibraltar and using it in the best possible way for Gibraltar's benefit.

HON MAJOR R J PELIZA:

Does the public relation firm provide the Tourist Office with the result of their efforts such as cuttings of articles and so on so that the effect can be quantified?

HON H J ZAMMITT:

Yes, very much indeed, Mr Chairman. We get a monthly report from our Public Relations together with all cuttings of all newspapers, tapes, etc.

HON MAJOR R J PELIZA:

I am just going to say how strongly I object to the very little amount that is being spent in promoting Gibraltar and I say this generally. I am not going to vote against the Head because I think that not enough is being done for tourism which is the second main pillar of our industry.

Other Charges was agreed to.

Special Expenditure was agreed to.

Head 24. Tourist Office was agreed to.

Head 25, Trading Standards and Consumer Protection - Personal Emoluments

HON G T RESTANO:

Does the Government have any intention of reorganising this unit.

HON A J CANEPA:

When the new Consumer Protection Officer is appointed, I hope to discuss with him the adequacy of the existing structure. We will see what comes of it.

HON G T RESTANO:

Is it in the Minister's mind to absorb it into another department?

HON A J CANEPA:

There has been a report prepared by Mr John Caetano, in his personal capacity not as Principal Auditor, which has been the subject of consultation with the Chamber of Commerce. Council of Ministers has not as yet discussed the contents of that report so I am not in a position to give more information at this stage.

Personal Emoluments was agreed to.

Other Charges was agreed to.

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

Head 26 Treasury - Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

I notice that this again is one department which does not seem to have an electricity and water vote. Is there any reason for that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is in the Secretariat building.

HON A J HAYNES:

On subhead 8. Care of Apes, Mr Speaker. Is there any likelihood of making the Middle Hill Pack, confining them to a cage? I seem to have heard that there is some intention on the part of Government to cage them and is there any provision for this in this Head?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Not to my knowledge. I have never heard of it. I don't think there is very close liaison with them.

HON A J HAYNES:

I am very glad to hear that it is an unfounded rumour. The other thing, Mr Speaker, is is there any provision in this subhead for the implementation of an Ape park, which was the subject of a report.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir, as far as I am aware the only provision here, and I checked before I came in, is merely to feed those who are on the roll.

HON A J HAYNES:

Mr Chairman, can I have an assurance that they are not going to be caged. I think it would be an absolute disaster for Gibraltar if the apes were caged.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There is no provision in here for an ape park, caging them or uncaging them. There is only provision for their food and maintenance.



HON A J HAYNES

Will the Minister confirm that the apes are one of the key attractions to tourists in Gibraltar.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Oh, I agree, we provide money for their food. If there were any provision at all for caging or for a park or whatever, it would be under special expenditure and there is nothing at all. I do accept that they are a major tourist attraction.

HON A J HAYNES:

Mr Speaker, will the Minister confirm that under Care of Apes, the likely increase in tourists visiting the apes may be detrimental to their health if they are overfed?

MR SPEAKER:

No, with due respect, I am not having it.

HON A J HAYNES:

May I ask under Other Charges, Mr Chairman, does the care of apes in any way include veterinary assistance if so required?

HON CHIEF MINISTER:

They are treated at the Royal Naval Hospital, they are on the strength of the garrison.

HON P J ISOLA:

Mr Chairman, the maintenance of the City Hall. I would have thought that would have been under the Public Works Annually Recurrent. Is there any special reason why it should be in this vote and is this the whole Hall?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We have quite a lot of accommodation in that Building, the computer offices and the billing department and in fact part of that cost, which I should have mentioned, is water and electricity for the sections which are in there. In fact, we have under Personal Emoluments taken on the Senior Porter at the City Hall.

HON P J ISOLA:

The other point I wanted to bring up, Mr Chairman, is the

insurance legislation consultancy. From the figures of £3,000, 82/83, and £15,000, 83/84, is that consultancy going rather slowly because I had the impression a long time ago of the appointment of a consultant.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The consultant made a preliminary visit and as a result of this representations were made by the Finance Centre which are being looked at and has yet to be resolved.

HON P J ISOLA:

So why this £15,000 for 83/84?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is put there because we intend to make the appointment, we intend to have the consultants. The question is that we are still sorting out the exact terms of reference.

HON P J ISOLA:

You intend to have a consultant, but what is it, is it going to be a once and for all consultancy?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes.

HON P J ISOLA:

But it is not an adviser like the banking one.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The reason why the figure is high is that the consultancy includes not only his fee but also hotel expenses when he is in Gibraltar and travelling expenses.

HON W T SCOTT:

Mr Chairman I also notice that under Personal Emoluments there is no grade or salary scale for the Banking Supervisor.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is true, he does not fall within any of the known appointments linked to the salary of a Banking official in the United Kingdom and originally when the draft

estimates were prepared he was shown still as a banking consultancy but, in fact, it is now a specific post and at the last minute we moved him over into the PE and showed him under the establishment but we have not specifically agreed a salary for him at the moment. We have to do that.

Other Charges was agreed to.

#### Subventions

MR SPEAKER:

I understand that there are certain amendments to two subheads, which perhaps could be moved.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I expect an amendment, Sir, to subheads 36 and 37 - Hotels - Water Subsidy and Electricity Subsidy. The provision under subhead 36 to be increased from £5,000 to £71,000 and the provision under subhead 37 from £2,000 to £37,000. I also move that the consequential amendments be made to that head.

Mr Speaker then proposed the question in the terms of the Honourable the Financial Secretary's amendment which was resolved in the affirmative and the amendments were accordingly passed.

HON P J ISOLA:

Mr Chairman, under the contribution to the Gibraltar Broadcasting Corporation, I notice that the approved estimate is £730,000 and the revised estimate is £753,000. Is that due to an increase in wireless licences over the year or has there been in fact an increase to the Government subvention because I do not recall having voted supplementary provision during the year.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is the salaries to Head 27, the salaries review is taken into the vote. The Honourable and Learned Leader of the Opposition asked me the other day whether the revised figure under salaries included the pay increase which is moved from Head 27, well, this accounts for the increase here.

HON P J ISOLA:

Is it the position that any increase in salaries for

GBC are met by the subvention? So in actual fact the increase of salary in GBC, any increase of salaries are in fact paid by the general body of taxpayers as a result. I understood that we give a subvention to GBC and that therefore if that subvention is to be increased, the authority of the House is required otherwise they are a Government department.

HON CHIEF MINISTER:

I think that this stemmed out of the understanding that the Government, subject to agreeing to the proposals, in this case we have made a very drastic cut which may be reflected in their performance but what we agreed to pay is the difference between what their income is and the expenditure of running it subject to our cutting the subvention, the pay increases that are recommended for the GBC come out of the bulk amount that is made at the beginning and then they make the claim on the basis of parity and they are discussed with the Treasury and also I think sometimes with the Industrial Relations Officer who has to advise on the nature of the increase. Otherwise they would not be able to cover in the subvention any increase in anticipation of the year.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I think, if I may say so, that on a question of financial propriety, the Honourable the Learned Leader of the Opposition has made a good point. I think that in future we shall have to bring this up as a supplementary.

HON P J ISOLA:

I am grateful for that because the reason I mentioned that, Mr Chairman, is that I remember distinctly when we had the argument in this House about Airtime International, I remember an intervention from the Honourable Mr Bossano about salary re-negotiations with GBC and I certainly got the distinct impression during that debate that if further provision was required for the subvention the House would be asked to vote for it and since we have not been asked to vote for anything, I had assumed that that matter had been resolved within the subvention of the Government.

HON A J CANEPA:

Mr Chairman, the point Mr Bossano was making was that it was bad enough to have the hands of GBC tied down by the need to refer the matter to Government and that it was more acceptable that the House should have a further vote

on the matter, namely, that the conclusion of any wage negotiations with GBC should be a matter not just for Government but also for the House. I think that that was the point that Mr Bossano was making. My own view on the matter is that it would be a better procedure rather than re-allocate from Head 27, that there should be a specific supplementary appropriation by the House.

HON P J ISOLA:

The answer, surely, to the point made by the Honourable Mr Bossano is if the negotiations are carried between the Government and its employees, yes, but if it is between GBC and its employees and it is an independent corporation, obviously it must be done within its subvention and if the subvention is not enough then a case has to be made to the House to provide more money. This seems to be the right way of doing it. Mr Chairman, can I ask the Government because in the General Debate we have had the question of the advertising of Spanish products and Spanish properties and so forth, and we have had a letter written to me saying that the total advertising of Spanish products, if I may use that in general terms, Spanish products includes Rolls Royce and everything else, the houses, flats and all that which is 7%. Does the Government share the view of the Opposition that it is entirely contrary to the public policy as enunciated by the Honourable and Learned Chief Minister in this House only a month ago, that people should be encouraged, that the population should be encouraged to spend their time in Spain, spend money in Spain and invest in Spanish properties? Does Government share the view of the Opposition that it is not in the public interest that this should be encouraged within our very homes in Gibraltar?

HON CHIEF MINISTER:

Certainly, it is not the policy to encourage that but it is also the policy to be careful of how we go about it with the corporation because as I said so many times, we have to try and maintain its independence, not only by the outside world but internally too. Since yesterday, I have received a report from the Gibraltar Broadcasting Corporation of the effect for the month of December, January, February and March of advertising from Spain, or rather about Spanish products because it says: "Included are Gibraltar booked campaign for Spanish products". Technically these are local adverts but it is included in the figure that I have been given and still at that stage it was 7.6% of the total income.

On the other hand, the projected estimates for April 1983, the percentage would go up to 11%, but not because the income in respect of Spanish products is up in fact, it is well down but so is the other one and therefore the percentage is due to the decrease in Gibraltar book campaign so that really in the month of April it became 11%, not because money for advertising Spanish products was going up, in fact they are going down but because the amount of money coming in from advertisements locally have also gone down, it has become 11%. I have just received these figures this morning and I would like to have some time to discuss them with the Financial and Development Secretary but, certainly, if we are going to tell them, having regard to the cuts that we have made, I think I ought to say that the cuts that we made out of the proposed income estimates was £100,000. Whether we can keep to that or not having regard to the nature of the cuts that they will require will have to be considered. It was not a question of negotiations, it was a question of having told them that they had £100,000 less in the general preparation of the estimates. That has resulted, naturally, in a long letter showing great concern and the need for cutting services in order to be able to meet the fact that they have not got that money has to be added, if that is the case, the money that they would lose as a result of these advertisements. I have noted the willingness of Members Opposite to increase, if necessary, the subventions and made up of these advertisements but we will have to see what that involves before we can finally come to the House with any proposals.

HON P J ISOLA:

What I would like to ask, Mr Chairman, is are those figures of advertising, all advertising on GBC, including radio?

HON CHIEF MINISTER:

I would have thought yes. It says expenditure by Spanish companies and GBC and, therefore, it means total net sales, GBC I take it to be the whole of the corporation and therefore includes the radio programmes, radio advertising, the bulk of which I think is certainly local. I have not heard much advertising on radio of Spanish products.

HON P J ISOLA:

This is precisely the point, Mr Chairman, I wish to make. And that is that certainly we would not believe those figures if they were referring to television. We would

not believe it because I think all Honourable Members, certainly on this side of the House, I don't know how frequently Honourable Members on that side of the House watch Gibraltar television, and it is quite clear to us that the time on television advertising Spanish products, whether it is booked in Gibraltar or not, we are not interested in that. Whether it is booked in Gibraltar or booked in Spain or whether it is advertised by a Gibraltar company, we do not make any distinction but our view is that it is a lot more than 11%, nearer, 50% at least as far as television is concerned. What we question is: how can a Government, the Chief Minister of Gibraltar supported by the Opposition, make an appeal to the public and at the same time how can this same House then vote £535,800 plus the wireless licences in other words over £700,000, to do just that. We must make decisions on these matters. When the Honourable and Learned Chief Minister speaks of the independence of GBC, we agree with him entirely but the fact of life is that it is not independent, it is heavily dependent on the general body of taxpayers represented in this House, who have through their elected representatives asked for public restraint in expenditure in Spain. And yet the people whom they subsidise are in everybody's homes. As far as we are concerned unless we can get very, very satisfactory answers and we are not getting them so far that is why I asked the question whether the Government agrees or does not agree, we cannot vote in favour of this because we cannot vote in favour of something which is entirely contrary to what we voted in favour of or we spoke in favour of only a month ago. As far as making it up, let me make the position of my side clear. I do not want to be accused of anything afterwards. As far as we are concerned, if it can be shown that without the advertising of Spanish products, because last night, Mr Chairman, let me say that last night on Gibraltar television the advertisement of Spanish products dropped dramatically. It was very noticeable, until the last programme we got all sorts of new adverts. We would not be a party to dropping Spanish advertising as a means of getting the revenue or getting a subsidy which they have failed to get apparently from the Government. If it is a genuine case and we are satisfied of it, of course we will vote for the extra expenditure. But let me be clear that it has to be justified as well.

HON CHIEF MINISTER:

It is precisely because one has to look at this carefully that we are not taking any hasty decisions on the matter. It is all very well to say that it is independent but it is dependent on our voting. I think that is the reason why

Members must take more care to ensure that the board is independent from political influence, if I may put it that way, from either side. We could say that perhaps because we have a majority here we should have more say in their independence but I have always ensured and will continue to ensure that they can carry out their business, subject to the Directions, in a way that does not deprive them, I think very few people would serve in the board if they felt that they were under direction other than the Governor-in-Council's Directions which are the subject of consultation with them and which they readily accept. I do not know about the difference last night. Certainly, I am quite sure that however much influence this House has, I do not think it can influence the night programme by whatever is said in the morning in the House of Assembly. The increase in -percentage is due to the decrease in Gibraltar booked campaign so that what is happening really is that because perhaps of the recession there is less advertisement locally, the others are more highlighted. I don't like them, I said that from the beginning. I hope that we can see how we can dispose of them but I would like a little time to look at the figures and I shall have consultations with the Honourable Member. In the meantime we have to deal with a very long letter of the corporation where they say how they can carry out their duties with the severe cuts that we have imposed on their proposed budget to the extent of cutting all sorts of services such as the long hours in the winter and the afternoons and week-ends and so on. In the final analysis, if they have to provide the service they have to do it with the money they have available, if we give them less money they will have to do it that way. If we tell them not to do this and that if they do it the subvention will be curtailed then, of course, there will be further cuts. Because they are independent in that respect, we have no control in saying how they should run their business. Once we see their estimates we carry out an intelligent approach to it and we say that they have to suffer like all other departments in a lean year a substantial cut. But I shall certainly look further into the matter, I cannot go any further now.

HON P J ISOLA:

Well, Mr Chairman, we will vote against. It is quite clear to us that the Government are not coming out clearly on this matter. There is just no way that the public will take seriously appeals for restraint in expenditure when a heavily Government subsidised corporation does not.

On a vote being taken on Subhead 30 - Contribution to Gibraltar Broadcasting Corporation the following Hon Members

voted in favour:

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

The following Hon Members voted against:

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

The following Hon Members were absent from the Chamber:

The Hon J Bossano  
The Hon D Hull

Subhead 30 was accordingly passed.

HON A J HAYNES:

Sir, Annual Grants-In-Aid. I notice there is only £300 for the Commonwealth Institute, is that in fact all that is going to be sent to the Commonwealth Institute.

HON CHIEF MINISTER:

That has nothing whatsoever to do with the question of the show there. This is purely a contribution for the ongoing costs of the Institute as a whole. The question of the display there is a separate matter.

HON A J HAYNES:

Where would I find the display contribution?

HON CHIEF MINISTER:

When it is decided what is to be done we will come for money to the House.

HON MAJOR R J PELIZA:

Subhead 33 - John Mackintosh Hall. The annual appeal from me.

Whether at election time those participating candidates will be able to make use of Mackintosh Hall to address the electorate as I think there is no impediment in any other places I can think of in Gibraltar except that place which is again heavily subsidised by the Gibraltar Government. I wonder whether the Minister can say whether anything has happened since last year which has perhaps enabled him to change his mind.

HON MAJOR F J DELLIPIANI:

Mr Chairman, I have listened to the Honourable and Gallant Major's appeal and I will take his sentiments to the Board, to decide, probably on a trial basis, to see how it works.

HON MAJOR R J PELIZA:

Does the Minister think it might help if I were to write to the Board?

HON MAJOR F J DELLIPIANI:

If you would like to write with your suggestions. I am only worried slightly that we want to make it quite clear that because we do the count there that it is completely independent.

HON MAJOR R J PELIZA:

I appreciate that is the case up to a certain date because they have to prepare the place for the count, but I think up to then I can see no objection.

HON MAJOR F J DELLIPIANI:

Mr Chairman, as I said, I will take it to the Board and it is up to the Board to consider.

MR SPEAKER:

Any other matter on subventions.

HON A T LODDO:

Yes Mr Chairman. I see subhead 35, Contribution to the Gibraltar Regiment. Is it exclusively to the Gibraltar Regiment or does that also include HMS Calpe?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is exclusively to the Gibraltar Regiment as it says there.

HON A T LODDO:

Mr Chairman, do we make any contribution to HMS Calpe?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Not to my knowledge, it is a Royal Navy establishment.

Subventions was agreed to.

Special Expenditure was agreed to.

Head 27. - 1983 Pay Settlement was agreed to.

Head 28. - Contribution to Improvement and Development Fund

HON P J ISOLA:

Could I ask one question here on the contribution. The deficit of £3million as at 31st March 1983, that has been borne by the Consolidated Fund?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, it is a loan, as it were, from the Consolidated Fund to the Improvement and Development Fund. As I have mentioned in my budget speech as interest rates are high and also until I know the outcome of our submission to the ODA for the funding of the distillers by ODA funds, I can't go to banks to borrow money and say that I want it for this and that so I funded development from the Consolidated Fund in the meanwhile.

HON P J ISOLA:

How did it run into a deficit, was it that we did things that we were hoping the British Government to pay for?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, sir, it was mainly that we have had a very heavy over-run of costs in the approved projects. I mentioned in my speech that of the £10 million that we are going to borrow, about £6 million is for ongoing projects which will cost more.

Head 28. - Contribution to Improvement and Development Fund was agreed to.

New Head 29. - Contributions to Funded Services.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman Sir, I beg to move the inclusion of a new

head of expenditure, Head 29, - Contribution to Funded Services. This gives effect to the budgetary contributions announced in my budget statement. It is intended to provide as follows: Subhead 1, Electricity Undertaking Fund - £559,200; Subhead 2, Potable Water Service Fund - £93,200; Subhead 3, Housing Fund - £1,028,100. I also move that the consequential amendments be made.

Mr Speaker then put the question in the terms of the Honourable the Financial Secretary's amendment which was resolved in the affirmative and the amendment was accordingly passed.

Head 29. - Contributions to Funded Services was agreed to.

The House recessed at 1.00 pm.

The House resumed at 3.35 pm.

MR SPEAKER:

May I remind the House that we are still in Committee and that we now move on to the Improvement and Development Fund.

Improvement and Development Fund - Head 101, Housing

HON W T SCOTT:

Mr Chairman, undersub-head 1 Varyl Begg Pitched Roofs and Related Works. I think we are under the impression that this contract was completed some time back. Might I ask the nature of the work still to be undertaken?

HON M K FEATHERSTONE:

There is not any work that has to be undertaken it is a re-vote for monies that have still to be paid.

HON W T SCOTT:

Does the same apply Mr Chairman, to sub-head 3, 5, 6 and 7.

HON M K FEATHERSTONE:

Yes, that is correct.

HON G T RESTANO:

Can we know the result of the investigations on Engineer House.

HON M K FEATHERSTONE:

These were some bore holes that were put down. An initial number were made, they produced a varied effect of sub-soils and more were required and based on the information received we shall be able to design the actual building, etc.

HON A J HAYNES:

Vineyard Site. - Phase I. Can the Minister tell us how many units will be derived from this and can he give us some idea of what Vineyard Site is, it is modernisation, is it not?

HON M K FEATHERSTONE:

No, Sir, this is a new building. The actual works to be done this year will not be any building of any houses, it will be mainly the services, the new roads that will have to be laid and thesewers and what have you being put in. The first phase of the housing will be started actually next year and we are not yet certain how many houses it will envisage. It is fluctuating between 65 and 77. We have had some slight alterations given to us from the Housing Department as to the mix they require and we are also having a second look at the actual design to see if we can get more in the same space.

HON G T RESTANO:

All these reserved votes (R), and we have had an indication that the British Government does not want its own contribution to the Development Programme to come out of its own fund, if it continues with that policy will the Government be funding these 5 items?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is subject to borrowing and that is why they are reserved. We have got to borrow in part but we have not been able to borrow yet the actual funds. As I explained to the Honourable and Learned Leader of the Opposition this morning, until we know the answer on the distillers, whether ODA are prepared to fund them, we cannot go to the banks and tell them which projects we want to fund with this borrowing.

HON P J ISOLA:

The £1½ million is for that, the £1½ million that has actually been voted?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That has been voted.

HON A J HAYNES:

Engineer House demolition. Does this involve the complete destruction of that property or is that partial?

HON M K FEATHERSTONE:

Yes, it is demolition of all the standing area including what is called the Model House, levelling the demolished site to make it into a temporary car park.

HON G T RESTANO:

Can the projects be pin-pointed which are going to be paid for by the £1½ million?

HON M K FEATHERSTONE:

It is basically some on-going projects. Rosia Dale, too, which wants £600,000 of it, and some of the other items on later pages.

HON G T RESTANO:

Are they all on housing?

HON M K FEATHERSTONE:

Yes, mainly.

HON G T RESTANO:

Which items are not on housing, Mr Chairman?

HON M K FEATHERSTONE:

I think there is also some of the money for schools.

HON A J HAYNES:

Mr Chairman, Tower Blocks - Phase II, £500,000 is reserved. Can the Minister give us a clue as to what that money will be spent on. Is this the external repairs?

HON M K FEATHERSTONE:

Yes, I do not know if you have inspected the Tower Blocks, I think it is Constitution House. If you look carefully at it you will find that the top 3 floors on the South West Corner have been cladded. This is a type of plastic cladding on the outside which has made the walls much more waterproof than they were before. This has been given at least 18 months of testing and has proved to be very successful. The idea is to continue that cladding on further parts of Constitution House and also the top storeys of Referendum House and then the next stage will be to do a further amount and the final stage will be to do the balance.

HON A J HAYNES:

Does this indicate that the cement was of inferior quality or something of that nature, or what?

HON M K FEATHERSTONE:

Well we have had a lot of debate, if the Honourable Member wishes to look up in Hansard, he can probably find it all. It was partly that the rendering was less fixed than it might have been. At certain stages the stirring of the cement as it is poured round the beams was not as good as it could have been, and it left cracks that water could get through and could penetrate.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I wonder if I might clarify a point about the £1.5 million transfer from the Consolidated Fund to the I & D Fund. It is not for projects which are reserved but for projects which have been started and on which we have been using money from the Consolidated Fund. Those there is an (R) against will depend upon us borrowing on the London market.

Head 101, - Housing, was agreed to.

Head 102 - Schools

HON A T LODDO:

Subhead 1 Westside Comprehensive, I notice that in the estimates to 1983/84, there is another £170,500, what exactly is this going to be spent on?

HON M K FEATHERSTONE:

This is also a re-vote. What happens is that when you have

a big account like this, the last amounts of money are not paid until all the little differences are cleared up, etc.; and so that money is reserved. It was not cleared up last year or it would have been paid last year so it has been revoted into this year and when the final accounts from the contractors have been received and approved then the money is there to pay them. Whilst I am standing up, Sir, perhaps I could mention that Item 3, the Bayside Comprehensive School is probably the other part where most of the balance of the £1,500,000 is being spent.

Head 102; - Schools, was agreed to.

Head 103, - Tourist Development

HON A T LODDO:

The Air Terminal Extension and Improvements. Can we have some details of the £49,050 that is going to be spent.

HON M K FEATHERSTONE:

A similar situation of the final accounts not yet being finalised. It is a re-vote as you can see.

HON G T RESTANO:

So nothing new is going to be done.

HON M K FEATHERSTONE:

No, nothing new.

HON G T RESTANO:

Can we also have details of the Urban Improvements.

HON M K FEATHERSTONE:

That is the first stage of pedestrianisation that we hope to set in motion. It may be a part of Main Street, it may be part of the Piazza, but it will be definitely somewhere between Engineer Lane and John Mackintosh Square including the Piazza.

HON G T RESTANO:

And that will cost £½ million?

HON M K FEATHERSTONE:

That is what it is estimated to cost.



HON P J ISOLA:

Does this include paving and things like that?

HON M K FEATHERSTONE:

It would be basically removing the present raised pavements at the two sides of the road and making the whole road into a slightly curved surface and then street furniture such as flower stands and what have you etc., and also a new fountain in the Piazza.

HON P J ISOLA:

Has the Government considered just tarmac<sup>ing</sup> the surface in a red colour or something rather than going into paving that is not necessarily durable and will look ugly after a while and just tarmac in red, because I have seen that in places and it is very attractive and I would imagine it would be much less expensive.

HON M K FEATHERSTONE:

The things that have been looked at are very durable, they are being used in many other cities in Britain and one of the advantages is interlocking bricks. One of the advantages is that if you wish to get to the services underneath you only have to lift up a few bricks rather than go through with drills and what have you and ruin a whole mass of tarmac.

HON A J HAYNES:

Mr Chairman, if you have a new asphalt road you can have direct access to the sewers and all other manholes that are presently available. Is the Minister saying that he is going to lay bricks over all the manholes and other such things and would he have to raise the manholes?

HON M K FEATHERSTONE:

No, but you will have to move some of the actual drain holes at the moment which are at the side of the road. If you have a curved surface your drain hole will have to be in the centre but your water will naturally move to the centre.

HON A J HAYNES:

Will the Minister make enquiries as to the viability of just putting a new tarmac which will enable cars, if necessary, to go up the road whenever that should occur and would it be as attractive as any

pavement.

HON M K FEATHERSTONE:

I am sure that the engineers in my department will carry out exhaustive enquiries into the most economic system, not economic in the actual putting down, but in the long term, the most durable and also one that is going to give reasonable viability for traffic that may have to go up the road such as lorries, etc. Paving tiles, I am informed, are laid on sand and can be changed quite easily without breakage when any replacement is required.

HON A J HAYNES:

Will the Minister nevertheless accept that to just tarmac the Main Street area would be far less difficult and would be a proposal which in our view would meet the requirement of aesthetics which go with pedestrianisation and at the same time enable you to do it without great expense and with keeping your options open for a road.

HON M K FEATHERSTONE:

Sir, I think sometimes one falls into the trap that persons who are not experts in this field tend to think they know more than the actual experts. We are getting advice from many areas where there has been pedestrianisation schemes and in most of these areas they are using this interlocking type of brick. I commend the Honourable Member when he goes next to London to have a look at Leicester Square which is one of these areas, Maddox Street, which is another area, we have also been to Lincoln, to Oxford, to many areas, and we are getting expert advice.

HON A J HAYNES:

Well the next thing Mr Speaker, on the Piazza, it was very reassuring that the fountain is going to go ahead.

MR SPEAKER:

A fountain, he said.

HON A J HAYNES:

Well, the fountain.

MR SPEAKER:

No, there is quite a difference.

HON A J HAYNES:

Well, a fountain, Mr Speaker, is going to hopefully improve the Piazza. Is there any other plan for the Piazza in terms of refurbishing it in another manner?

HON M K FEATHERSTONE:

Yes, there are quite a lot of plans for the Piazza. In fact I think one of them was on show at the exhibition that we had some little time ago of Public Works plans. The whole refurbishing of the Piazza will be to make it into a far more open area in the centre of town, with less walls and concrete around, and it should be improved very much.

Head 103 - Tourist Development, was agreed to.

Head 104 - Miscellaneous Projects.

HON G T RESTANO:

Sub-head 1, Re-siting of the Ice-Box, a revote £320,000. What is the present site that the Government is taking over going to be used for?

HON M K FEATHERSTONE:

I believe that that is going to be the future area of the Government Stores and Bonded Stores which will release the whole Waterport area for development purposes.

HON G T RESTANO:

Presumably, a certain amount of money will have to be paid for the reconversion. Why is that not in this vote?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, we do not yet know how much it is going to cost. The position is that the Ice Box will be vacated tomorrow and we are having a meeting to indicate what work we require to be done inside for Customs. We will then get an estimate and we will be coming back to the House for funds to carry out the work as quickly as possible. There is some urgency in this because two developers who have been here during the past two weeks have shown great interest in the development of that site.

HON W T SCOTT:

Mr Chairman, can we have some indication as to when the Vehicle Examination Centre will be completed?

HON M K FEATHERSTONE:

We are hoping to have this completed by the end of June. It will bring with it a certain number of, I won't say difficulties, but alterations in the actual programme of testing of vehicles so that they can actually be tested the whole year round rather than just at short specific periods, but that will come up in due course.

HON W T SCOTT:

Mr Chairman, subhead 3, Sand Quarry, £135,000. Presumably, all this amount is from Robertson Research.

HON M K FEATHERSTONE:

Yes, Sir.

HON W T SCOTT:

I seemed to have missed it in the items of revenue.

HON M K FEATHERSTONE:

We received it last year, I think.

HON W T SCOTT:

Might I ask what progress the Government has made in soliciting the assistance of presumably some other consultants to ensure that the sand is brought down from the high slopes.

HON M K FEATHERSTONE:

We have had a consultant paid by the Quarry Company, actually, who is looking into the possible method of getting sand from the upper areas to the lower areas. These are at the moment being fully looked into and quantified and then we will see which of the three possible methods is the most viable together with the best in price.

HON W T SCOTT:

In relation, Mr Chairman, to what the Government has already spent on this reclamation scheme, or rather recovery scheme, can we have an assurance from the Minister that we will not keep on spending money without having a successful project.

HON M K FEATHERSTONE:

That, of course, is the intention, Sir, yes.

HON G T RESTANO:

Who is paying for these new consultants?

HON M K FEATHERSTONE:

I just said the Gibraltar Quarry Company.

HON G T RESTANO:

Should not Mr Chairman, this be the ODA? After all the ODA recommended Robertson Research which proved to be such a fracas and although the Government has obtained £135,000 in return, surely, the ODA should have a certain responsibility in the new process of construction.

HON M K FEATHERSTONE:

No, I think the ODA had their share of the whole deal and they have now got themselves out of it completely. They have had their share of the whole deal and they have now got themselves out of any further commitment.

HON G T RESTANO:

But shouldn't the Government press on this one?

HON M K FEATHERSTONE:

It is rather futile pressing on something when you know you are going to be told a blank negative. We have mentioned it to them on several occasions and they have said "Well, we think that we have done our share, the rest is up to you".

HON A T LODDO:

I notice, with a little satisfaction, Sub-head 7 - Military Museum. I notice that there is a reserve of £150,000, the rest balance to complete. Presumably we will be hoping for some aid. Can the Minister say whether in fact this Military Museum will get off the ground sometime this year?

HON M K FEATHERSTONE:

On the basis that the (R) becomes available to us, as the

Hon Financial Secretary has said, it is subject to our being able to raise the loans to provide the money, it is hoped this year to get it started and to finish it by next year.

HON G T RESTANO:

The Government Offices - £300,000. What is that in respect of?

HON M K FEATHERSTONE:

These are a number of different moves of Government offices, they vary to some extent, the main ones are the refurbishing at least of the ground floor of St Jago's School to house the Income Tax Department which at the moment is housed in very expensive private rented accommodation. After the St Mary's School extension has been completed to refurbish St Mary's School as Government offices and other minor areas that come along including Loreto Convent finalisation as Government offices for certain officers and certain sections of the Secretariat itself.

HON G T RESTANO:

I know that the Income Tax Department is going to St Jago's. Which department is it intended should go to the Loreto Convent and which to St Mary's?

HON M K FEATHERSTONE:

I think it is not fully decided but I think in the Loreto Convent the Deputy Governor's office is going there, the Chief Minister's office, the Administrative Secretary's office and possibly some others, it depends on the total space that is available. I don't have all the details, there is a Committee looking into it and seeing of the bids that are being made which are going to be the most preferable. The idea is to get those departments which work together to be able to stay together.

HON G T RESTANO:

And what about St Mary's?

HON M K FEATHERSTONE:

St Mary's initially will be for the Housing Department and whatever area is over will then be available for some other department.

HON W T SCOTT:

Mr Chairman, I would like to ask on Sub-head 6 - Customs/Immigration Offices, where there is £80,000 reserved, the details of that.

HON M K FEATHERSTONE:

I am not saying that we are fully committed to this because there are other thoughts being mooted at the moment, but the intention was to move the Customs Office which at the moment is at Waterport down to the old Port Offices. If this comes off then of course this would be these £80,000.

Head 104 was agreed to.

Head 105 - General Services

HON G T RESTANO:

Mr Chairman, the last item, Sir Winston Churchill Avenue Footbridge. Is it intended to construct that this year?

HON M K FEATHERSTONE:

Yes, Sir, the order will be given almost as soon as the money is voted in this House. We have all the plans ready and we already have the tender from the firm who will be given the actual contract to provide the bridge. We have gone out to four or five firms and we have got the most competitive and most viable bridge.

HON G T RESTANO:

Was the tender a public tender or was it a selective tender?

HON M K FEATHERSTONE:

No, it was a selective tender to about five or six firms in Britain which manufacture this type of equipment.

Head 105 was agreed to.

Head 106 - Potable Water Service

HON W T SCOTT:

Mr Chairman, I notice on Sub-head 3 - Desalination Plant at Waterport, that it is subject to approval by ODA but yet, as I understand it, that contract has already

been awarded.

HON M K FEATHERSTONE:

Yes, the situation is that we have asked ODA whether they would be good enough to fund all or part of it, if they don't we will have to fund it ourselves but it has already been given.

HON W T SCOTT:

Both distillers, I understand there are two distillers involved.

HON M K FEATHERSTONE:

No, we have the option to take a second distiller up until the end of April, that will still be decided in due time.

HON W T SCOTT:

So, in fact, if the Government does not receive a reaction by the end of April does that mean that it will take up the option or not take up the option?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

First of all, we have made it quite clear to ODA that we must have an answer by the end of April to enable us to take up the option because it might be saving us money on taking up that option. If the ODA do not agree to fund the whole of the project, two desalinators, we would not be able to fund the second desalinator ourselves from our own funds and so we only go for the one. The reason why we have been able to start is because there is a procedure called "if and when" in that we had got in a proposal to ODA for a desalinator and they knew that we were going ahead and they didn't object.

Head 106 was agreed to.

Head 107 - Port Development

HON W T SCOTT:

Mr Chairman, Varyl Begg - Sea Wall, Sub-head 3, £10,000. Has the work been completed?

HON M K FEATHERSTONE:

No, Sir, this is still to be finished this year if we get around to it. It is completing the sea wall along the edge of Varyl Begg. I think we have got as far as

Hermes House, the rest is still very rough and we gradually move along as and when we can.

HON A J HAYNES:

Mr Chairman, on the Causeway. Can we have a clearer indication of what exactly the Government propose to do this year?

HON M K FEATHERSTONE:

The initial idea was to build a road or causeway outside the present bridge and to move all the services round into the road but since we have had later information from MOD as to what they consider could be done with their services, a new look has been actually taken at the whole project. I think now the services will be able to carry on as they were underneath the bridge even though the bridge is taken away and the causeway itself will go less far out and be less complicated. It is still subject to a certain amount of negotiation with MOD to decide exactly what they want since we were asking them to pay for the movement of their services.

HON A J HAYNES:

Mr Chairman, I am not quite sure. Does this mean then that the proposals might result in just an alternative to the bridge rather than the reclamation of land that we initially expected to take place?

HON M K FEATHERSTONE:

No, Sir, there were two projects. The first project was the actual alternative to the bridge and that is what is called the causeway. The full reclamation of the Waterport Basin is another project which we still have under study but which is not put down for expenditure at the moment. It will depend to some extent if we have a full opening of the frontier and a demand for a ferry terminal with roll-off/roll-on facilities.

HON A J HAYNES:

Will the construction of a causeway as I take it is now envisaged which will not provide a terminal, preclude Government from making a terminal at a later stage?

HON M K FEATHERSTONE:

No, it will actually help towards it,

Head 107 was agreed to.

Head 108 - Telephone Service

HON G T RESTANO:

May I know, under Sub-head 4, how many public telephone booths are to be introduced in Gibraltar?

HON DR R G VALARINO:

Sir, this is really the fact that the demand for pay phones has increased substantially with the introduction of IDD and local call metering. More public telephone booths are needed but it also includes bars and restaurants, clubs and shops requesting portable pay phones. The amount there is for ten portable payphones, three anti-vandal pay phones and ten rent-a-type pay phones. I think we intend to increase the number of telephone boxes within the next financial year by about two to three.

HON G T RESTANO:

These are telephone booths, are they, like the ones that already exist?

HON DR R G VALARINO:

Yes.

HON G T RESTANO:

Where are they going to be placed?

HON DR R G VALARINO:

I have said in the House previously, Mr Chairman, that I am unwilling to spend public money to put a telephone kiosk where it will be vandalised, therefore, my aim is to put telephone kiosks where somebody will be able to look after it for the larger part of the time and therefore the amount of vandalism is cut down. We have got to try and ensure that these telephone boxes have got a certain measure of security about them. We have put some lately and we intend to put another one, as long as the Planning Commission gives us the go-ahead, we intend to put another one opposite the Roman Catholic Cathedral, there is already one there but one on the other side, and we applied for one at Mackintosh Square which was turned down, and we want to put one at the entrance to Main Street by Casemates. There is already one at the moment just off the frontier gate so that anybody who wants to ring for a taxi late at night and

there are no taxis there, they are able to get a taxi, people coming from Spain.

HON G T RESTANO:

The Minister said that the application to put one in Mackintosh Square had been turned down by the Planning Commission, were any reasons given?

HON DR R G VALARINO:

No real reason given except that a telephone box there would look unsightly, this was the reason given by the Planning Commission.

HON AT LODDO:

Mr Chairman, is there any chance of having a telephone kiosk to replace the one at Europa outside Prince George's block. There is a phone booth there which has been completely vandalised but at Europa, as far as I know, that is the only or would have been the only public phone. Is there any plan to have one up there?

HON DR R G VALARINO:

Mr Chairman, that one and if I may refer to the one in Varyl Begg, because there is one in Varyl Begg, they are both heavily vandalised. We put in a telephone and three days later the telephone apparatus itself was cut off and taken away and it is useless, so we don't want to waste money. We would like to be able to put one at Windmill Hill where the Services would be able to keep an eye on the box or find a place near a GSP Post where the phone would be less vandalised but we cannot keep on putting telephone boxes, having them vandalised and repeating the process again and again.

HON W T SCOTT:

Would Government consider installing one, Mr Chairman, at Waterport either a public booth on its own or perhaps even within the confines of the Customs building because I think there is a requirement there?

HON DR R G VALARINO:

Yes, Mr Chairman, I have given consideration to that one and my only reservation is because I didn't know whether Waterport was going to remain there, the site I mean, but my idea was to put one at Waterport in the small pavement between the Police Station on the left hand side and the Revenue on the right hand side and to put one there

and certainly people from Varyl Begg and people in the neighbourhood, tourists coming in, would be able to use it.

HON W T SCOTT:

Mr Chairman, Sub-head 3 - Purchase of Vehicles and Plant. I am a bit puzzled because when a department has a requirement for a vehicle it normally appears under that particular Head but here we seem to be asked to vote money in under the I & D Fund for the Telephone Department rather than on the Telephone Head.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is a continuation of a project that started. One will see that the figure £28,935 is there, £18,000 is the actual expenditure to 31/3/83, £10,000 left. We had to leave it in this vote but it is the sort of thing which normally we would in future put into the recurrent estimates.

HON DR R G VALARINO:

If I may help you further. One is the replacement for G29357 which is urgently needed and finally a compressor which is now twelve years old needs urgent replacement.

Head 108 was agreed to.

Head 109 - Public Lighting

HON W T SCOTT:

Can we have an indication, Mr Chairman, on the areas covered?

HON DR R G VALARINO:

Certainly, Mr Chairman. The areas covered in the General Improvements, Phase III, the overall cost of the project remains at £12,500 and the amount required to complete the project is £8,000. The areas are as follows: Lime Kiln Steps, Buena Vista Road, Glacis Estate and Varyl Begg Estate.

HON W T SCOTT:

But the Minister has mentioned, Mr Chairman, areas which have only recently in the last ten or twelve years been built and I would have thought that the requirement for public lighting there would have been done at that time,

wasn't it planned properly originally?

HON DR R G VALARINO:

Mr Chairman, Sir, he is quite right in saying that some of the areas have been recently built but what we feel is that because of the position of certain areas certainly extra lights could be installed and this is why we have put in these four small votes to be able to cater and improve the public lighting in these places.

Head 109 was agreed to.

Head 110 - Electricity Service

HON G T RESTANO:

Mr Chairman, I notice that the estimated cost of the Waterport Power Station is now put at £7.9m whereas last year in the estimates we were told that the figure was £7.14m, can we know the reason for the difference?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There were negotiations with the Hawker Siddeley Power Engineering because they had claims against the Government for instructions given during the course of the work, that we wanted certain changes made which happens in every large contract and furthermore originally we were only going to buy the spares for the one engine but we decided that we would go for spares for two engines because we are getting them at a very attractive price and it was worth getting them in advance. We had claims against the company because they owed us damages for delay in handing over the building and the engines and there were negotiations, they were claiming from us something in the region of well over £1m and we were claiming even more from them, in fact, we eventually settled but the additional cost is for additional spares and for extra works that were done during the course of the contract at the request of the Government.

HON G T RESTANO:

Can I know what these changes were?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I haven't got the details with me but we could send the details to the Hon Member.

447.

HON G T RESTANO:

Is any of the cost of Hawker Siddeley managing the Station included in this increase in the vote?

HON DR R G VALARINO:

No, none at all.

HON G T RESTANO:

Can I know what is the extra £571,000 that is going to be spent on the project this year? What does that represent?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I mentioned, I think, that the running of the Station since we had taken it over, had been put to an advance account and up until the 28th February the cost of running the Station would go to the project and thereafter they would go on to the recurrent budget but meanwhile I put them into an advance account and £1m is the amount on the advance account that would go to the project.

HON G T RESTANO:

If I can get this correctly, the Government considers that the amount to be paid to Hawker Siddeley for managing and administering the Power Station before Government takes over is going to cost £591,000, is that correct?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, it is not the entire amount, there are also additional amounts to be paid for the actual project completion but included in that amount of £1m in an advance account for the running of the Station.

HON G T RESTANO:

What is the estimated cost then, if I may ask, of Hawker Siddeley running the Station because I think contractually we were told yesterday that Government could have taken over in February so how much is the non-reaching of the settlement in the Steering Committee going to cost the Gibraltar taxpayer?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, how long is a piece of string? I can only say that up until the end of February I have got a figure in an advance account of £1m, that is what it has cost us up to that date. Yesterday in the House someone said

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and how much did it cost us since February and I did a quick calculation and said seven weeks at £19,000, £133,000. Why I say how long is a piece of string is because when is the Committee going to finish its work and when are we going to take it over, that is the question that I cannot answer.

HON G T RESTANO:

Can I ask how long Government is going to tolerate such a position? If we are in the same position in six months time will Government still be saying, well, it is as long as a piece of string. Surely, this at a political level has to be taken by the Government, how long is it going to tolerate such a position?

HON CHIEF MINISTER:

If I may say a few words, Mr Chairman. The Steering Committee, I was remarking yesterday, despite the expense, I was remarking yesterday to the City Electrical Engineer that just as well that none of the people I approached to Chair the Steering Committee accepted because I think it would have been work well beyond their powers unless they were to devote a considerable amount of time, it has been an exhausting problem and it isn't yet finished. We do see the end in sight but it is very difficult to say so many weeks and then to be found that it is a week more and then to be asked questions why did we say that. I have been keeping at a distance though I have been keeping an eye on this thing. From time to time, the Chairman, Mr Ray Edwards, reports how he sees the matter but I purely listen to him I don't argue because it has nothing to do with me. He is an independent Chairman but he keeps me informed, he tells me of the extent to which progress is or is not made and of the immediate prospect and it is not an open-ended matter, I cannot commit myself to a time but we are getting very near and it is necessary that it should be finished very quickly. We may one day have to debate this matter if it is so desired and of course then I would have all the particulars and so on but in the final analysis we may find ourselves with a Station, despite all the difficulties, with reasonable work practices, with standard procedures, with avoidance of all the problems that led us to so many difficulties in the past because of the nature of the structure of the department and the pressure on certain sections and so on. That is what really the final result of the Steering Committee would be and I am glad to be able to report that the tone and the attitude of the workforce, I say the workforce not only Trade Unions leaders because

they have had to be ad referendum to them, it is a very close knit set of people, have changed dramatically in reasonableness of attitudes to work than from the time that the Steering Committee work started. I am looking at it purely in the overall interest as I have to do and not in the interest of the individual Minister or the department. I say with all sense of responsibility that when the count is taken it will be seen, whether it was expensive or not is another matter, that the aims that have been set out, the patterns that have been set out will well be worth it for the secure future running of the place in reasonable terms and not in terms almost of pistol in hand.

HON G T RESTANO:

Yes, Mr Chairman, I am sure that those are very laudable aims. Of course it is in everybody's interest that the Station should work well in the same way as it would have been admirable if the old Station had worked well as well but if this continues and continues and continues and there is no point in time when an agreement is reached, how long are we going to keep paying so much money for Hawker Siddeley to run the Station and so much money for the Chairman.

HON CHIEF MINISTER:

I have tried to answer that question.

HON G T RESTANO:

I would like to know for how long is Government prepared to pay this money before we come to an agreement. There has to come a break time where Government has to say that they cannot continue paying any more at this rate.

HON CHIEF MINISTER:

I thought I had made as reasonable a general statement as I can and no amount of further questions will be able to make it easier for me to do so. I have explained to the House, I have put a clear situation as I see it of the matter which is as much or more concern to us because it is our direct responsibility.

MR SPEAKER:

And it has been the subject of debate already.

HON CHIEF MINISTER:

I am giving an honest account or I would say an honest



brokers account of the situation as I see it for the satisfaction of the Hon Members opposite but no more asking how long is a piece of string can make me say how long it is going to be.

HON W T SCOTT:

I have one on Sub-head 1, Mr Chairman. Can I ask the Minister if engine No. 9 is operational at the moment?

HON DR R G VALARINO:

Mr Chairman, Sir, engine No. 9 has been stripped down.

HON W T SCOTT:

Is there any likelihood of it being re-assembled and being put into operation before the money is spent on its foundations?

HON DR R G VALARINO:

No, Mr Chairman, in fact I said that when engine No. 9 was stripped down due to a re-building due to numerous oil leaks, it was found that the foundation had suffered serious cracks probably because of this. The foundation in which the engine sits has got to be re-cast completely and this is the figure for the re-casting of the foundation therefore the engine would be impossible to re-build on a foundation which is cracked and one would have to do the foundation first and then re-build the engine. This is why there is an (R) behind it, the £67,000, and this is only for the foundations not for the re-building. We have applied to the ODA for a third engine at Waterport and until a decision is reached whether or not we shall get the third engine then the money will be reserved.

HON W T SCOTT:

What is the capacity of No. 9 engine?

HON DR R G VALARINO:

Two megawatts.

Head 110 was agreed to.

MR SPEAKER:

I imagine the Hon the Financial and Development Secretary will now wish to make the necessary amendments to Part I of the Schedule, the Consolidated Fund.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Thank you, Mr Chairman, Sir. I beg to move that in Part I of the Schedule provision for the following three Heads of Expenditure be increased as follows: Head 16, Port by £25,000 to £679,100. Head 20, Public Works Annually Recurrent by £10,000 to £7,764,500. Head 26, Treasury by £101,000 to £2,072,300. I also move that provision of £1,680,500 be made under a new Head of Expenditure, Head 29, Contribution to Funded Services.

MR SPEAKER:

And I imagine that the grant totals should be consequentially amended.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir. Thank you.

Mr Speaker put the question in the terms of the Hon the Financial and Development Secretary's amendments which was resolved in the affirmative and the amendments were accordingly passed.

The Schedule, as amended, stood part of the Bill.

Clause 2

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that the words "forty-one million seventy-eight thousand six hundred pounds" in the last two lines of Clause 2 be deleted and the words "forty-two million eight hundred and ninety-five thousand one hundred pounds" be substituted therefor.

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

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

Clause 4

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that in lines 2 and 3 of Clause 4(1) the words "forty-one million seventy-eight thousand and six hundred pounds" be deleted and the words

"forty-two million eight hundred and ninety-five thousand one hundred pounds" be substituted therefor.

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

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

#### The Long Title

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move that in The Long Title the words "fifty-one million ninety thousand five hundred and seventy-five pounds" be deleted and the words "fifty-two million nine hundred and seven thousand and seventy-five pounds" be substituted therefor.

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

THE FINANCE BILL, 1983.

Clauses 1 to 3 were agreed to and stood part of the Bill.

#### Clause 4

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, following consultation with the Finance Group I propose that Clause 4 be amended. Perhaps if I were to read it out, Mr Chairman, and then you might like a photocopy of this. The amendment is, Sir, to omit all the words after the expression '7(1)' and to substitute the following words: 'of the Income Tax Ordinance is amended by repealing paragraph (ua), and substituting the following paragraph: "(ua) the income of any trust or of any beneficiary under the trust, where - (i) the terms of the trust expressly exclude persons residents of Gibraltar (as defined in section 2(1) of the Companies (Taxation and Concessions) Ordinance, 1983) as persons who either are, or may under any discretionary powers of the trustees under the terms of the trust, beneficiaries or any class or classes of beneficiary; and (ii) the Commissioner is satisfied, in every case where a beneficiary under the trust is identifiable by name, that in each year of assessment to which the exemption relates, that that beneficiary is not a resident of

Gibraltar (as so defined)". Perhaps the Learned Attorney-General may speak to it, Sir.

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

HON ATTORNEY-GENERAL:

Mr Chairman, Hon Members will recall that I think it was last year or the year before, an amendment was moved in part to Section 7 of the Income Tax Ordinance. Section 7, the section in the Ordinance which says which income is exempt from taxation and as put to the House and as passed the effect of that was that if a person was a beneficiary under a trust and he was non-resident and he was named in the trust instrument and the point of naming him was so that it could be established by way of proof, as it were, that he was non-resident, then the income he received from the trust would be one of the kinds of income which was exempt under section 7. The Finance Centre Group subsequently made the point that they would not wish merely to exclude income in the hands of the beneficiary but the income of the trust itself and so the effect of this amendment is to widen that exemption and to widen it in such a way that any income from a trust will be exempt from income tax as well as the income in the hands of the beneficiary as long as certain conditions are made and the first of those conditions is that the trust document must exclude as possible beneficiaries or possible classes of beneficiary, persons who are resident in Gibraltar and the term resident in Gibraltar in this instance is defined by reference to the Companies (Taxation and Concessions) Ordinance, 1983, because that is slightly wider than the definition ordinarily resident in Gibraltar under the Income Tax Ordinance although it includes such people. So as long as the trust documents on the face of it excludes the possibility of a distribution to beneficiaries of that class who will qualify, that in addition, again for the purposes of facilitating proof that the trust is eligible for exemption, sub-paragraph (2) says; "The Commissioner of Income Tax must also be satisfied in any case where it is possible to identify who a beneficiary is by name, that that beneficiary is not a resident of Gibraltar". Of course, I think, certainly as the Hon Legal Members of the opposite side will understand, not all trusts on the face of it will disclose at once by name who are the beneficiaries, they may be discretionary trusts and they may refer to a possible future class but that is the general thrust of the second paragraph of the amendment, Mr Chairman, and I think that that is the point of clarification I would like to make, thank you.

HON P J ISOLA:

Mr Chairman, if I understand this correctly, the present tax position in Gibraltar is that a non-resident can have an account in a bank in Gibraltar, have money deposited in that bank and his income is free of tax if he is regarded a non-resident (a), that is now in the statute. (b) You have got your exempt company which pays a tax to the Gibraltar Government of £200 or whatever a year and their income is exempt from tax as long as it hasn't got any investments within Gibraltar. I don't object to the terms, I think I have got the picture on this, the only thing wrong with this particular situation is that the trust that is set up if one extends it to a discretionary trust there will be no inducement to have that trust within a company and there could be a loss of £225 a year to revenue because people might just have trusts and no exempt company, that is problem number one. But problem number two, this is the one that bothers me much more than any other is, that if I set up a discretionary trust for non-resident beneficiaries, there is nothing to stop me, is there, from investing that money in a mortgage in Gibraltar or buying property in Gibraltar and the income of that trust will be free of tax. Am I right, because I am sure that is not the intention. It says here\* "The income of any trustee or trustees from any trust". If the trustees own or invests within Gibraltar will the income of that trust be exempt under this clause? This is the big query.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The point that I think that the Finance Centre was getting at here was that in a discretionary trust you may have funds remitted to Gibraltar which if they go into the hands of, say, a lawyer and he is the trustee, would immediately become taxable so the object is to avoid them being taxed whilst at the same time making sure that his fees continue to be taxed, as it were, and that is the main object and thrust of this change.

HON P J ISOLA:

I know that is the object but does this not mean in effect that a trust can be set up in Gibraltar and that trust can invest money in Gibraltar? I know the object is the income but supposing that trust decides to invest money on mortgage which, for example, a tax exempt company cannot do, is that income going to be exempt from tax?

HON FINANCIAL & DEVELOPMENT SECRETARY:

If it belongs to someone outside it is alright, yes.

HON P J ISOLA:

Well, then why cannot an exempt company invest in a mortgage and they are at least paying the Government £225 a year? Surely there must be something wrong here, Mr Chairman. This would provide an enormous loophole in your tax law as a means of non-residents investing in Gibraltar free of tax. I had a case that immediately springs to my mind of a person who has a settlement in Gibraltar and has a company with property in Gibraltar which pays tax but all he has to do is pass the company to the trust and pay no tax.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, this is an amendment which has been put forward by the Finance Centre which we were very anxious to get through because of the development of the Gibraltar Finance Centre. I wonder, Sir, if I might ask if we could have a ten minute recess to look at this further.

MR SPEAKER:

The manner in which I see it and I understand it is that the legislation already exists to exempt the payment of tax for certain people but the tax was originally deducted at source and all that is being attempted to do now is that where those circumstances arise the tax will not be deducted at source. Before it was deducted at source and it was rebateable in the hands of the beneficiary, now it will not be deducted at source. That is the way I understand it.

HON A J HAYNES:

As I understand it I thought it was an enabling provision to allow trust income to accumulate in Gibraltar without incurring tax. It would be a simple matter to further amend it to include that accumulating or enabling provision to extend to trust property held in Gibraltar.

HON CHIEF MINISTER:

I think we ought to proceed with the rest of the Bills and leave that until later.

MR SPEAKER:

Let us then postpone the consideration of this amendment and continue with the other clauses in the Bill.

HON ATTORNEY-GENERAL:

With your leave, Mr Chairman, if I can just answer the point made by the Hon and Learned Mr Haynes. I think what he said in the first place was quite correct that as this stands, income of a trust which accumulates in Gibraltar so long as it is for the benefit of outsiders, is exempt from tax. That is the effect of this amendment and I understood him at first to say that he recognised that that was the effect of this amendment but then to go on and say, if I didn't misunderstand him, which are wide enough to cover. I am not sure that is what he meant but the effect of it as it stands is that trust income of non-residents that is allowed to accumulate in Gibraltar will not attract income tax.

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

Clause 6 was agreed to and stood part of the Bill.

Clause 7 was agreed to and stood part of the Bill.

Clause 8

HON P J ISOLA:

Mr Chairman, as far as clause 8 is concerned we have asked Government to reconsider the rates for hotels. Is Government prepared to consider that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, the effect of the Government subsidy is that the hotels will pay 40p which is I think the price that the Hon and Learned Leader of the Opposition proposed, but I am afraid it is my experience during the past three years that unless there is a carrot we are not going to get the money paid in and the carrot that we are offering is that we say the amount is 55p, pay that and you get the 15p back provided the bill is paid within thirty days. If we bring it down to 40p we are not going to get the money in. I am sorry but that is the case.

HON P J ISOLA;

Mr Chairman, we have already spoken about the water and our opposition to the increase and on this particular clause we are voting against.

On a vote being taken on Clause 8 the following Hon Members voted in favour:

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

The following Hon Members voted against:

The Hon A J Haynes  
The Hon P J Isola  
The Hon A T Loddo  
The Hon G T Restano  
The Hon W T Scott

The following Hon Members were absent from the Chamber:

The Hon I Abecasis  
The Hon J Bossano  
The Hon Major F J Dellipiani  
The Hon Major R J Peliza

Clause 8 stood part of the Bill.

Clause 9 was agreed to and stood part of the Bill.

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

MR SPEAKER:

Then perhaps we will take an earlier recess otherwise we are going to have to report out of Committee and back again. When we come back we will then consider Clause 4 of this Bill and see what happens.

The House recessed at 4.55 p.m.

The House resumed at 5.30 p.m.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I am indebted to the Hon and Learned Leader of the Opposition for the point that he made on Clause 4. He has pointed to a lacuna which I think that the Government needs much more time to look at and so with the permission of the House, Sir, I would like to withdraw this clause of the Bill and to re-

introduce it and re-draft it with the qualifying companies amendments which we will be bringing in as an amendment to the Income Tax Bill at the meeting of the House later in May. With your permission and the permission of the House, Sir, I would like to withdraw it.

MR SPEAKER:

Let us take it by stages. Does the Hon the Financial and Development Secretary have the leave of the House to withdraw Clause 4 of the Bill? This was agreed to.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I move that Clauses 5, 6, 7, 8 and 9 of the Bill be amended to read 4, 5, 6, 7 and 8 respectively.

Mr Speaker put the question in the terms of the Hon the Financial and Development Secretary's amendment and Clause 4 was deleted and the remaining clauses renumbered accordingly.

#### THIRD READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to report that the Finance Bill, 1983 and the Appropriation Bill, 1983, have been considered in Committee and agreed to, with amendments, and I now move that they be read a third time and passed.

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

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

The following Hon Member voted against:

The Hon J Bossano

The following Hon Member was absent from the Chamber:

The Hon A J Haynes

The Bills were read a third time and passed.

#### REPORTS OF COMMITTEE

##### SUSPENSION OF STANDING ORDERS

HON M K FEATHERSTONE:

Sir, I beg to move the suspension of Standing Order 7(3) to allow me to lay on the table the Report of the Select Committee on the Landlord and Tenant (Miscellaneous Provisions) Ordinance.

This was agreed to.

HON M K FEATHERSTONE:

Sir, I have the honour to lay on the table, Sir, the Report of the Select Committee on the Landlord and Tenant (Miscellaneous Provisions) Ordinance. Sir, while laying this on the table I would like to explain that it had been the original intention of the Committee that a draft Bill should be attached to the Report. The draft Bill is not quite ready but it will be ready within a very short time and it is proposed therefore to lay the Bill itself on its own at the moment but Hon Members will be circulated with a copy of the draft Bill within a very short period.

Ordered to lie.

##### SUSPENSION OF STANDING ORDERS

HON M K FEATHERSTONE:

Sir, I beg to move that Standing Order 19 be suspended in order that I may move a motion which I actually gave notice of on the 18th April thinking that the House was going to last five days. The motion would read, Sir: "This House resolves that the Report of the Select Committee on the Landlord and Tenant (Miscellaneous Provisions) Ordinance be now made public prior to its consideration by the House".

Mr Speaker put the question which was resolved in the affirmative and Standing Order 19 was accordingly suspended.

## MOTIONS

HON M K FEATHERSTONE:

Sir, the intention of this motion is that the Report should be the subject of another motion on the continuing session of this House which I believe is some time in May when it will be debated but in the meantime it is felt that it may be beneficial to Members if the Report be made public so that feedback can be obtained by Members and enable them to be better prepared when they speak to the acceptance of the Report or otherwise. I commend the motion, Sir.

Mr Speaker proposed the question in the terms of the Hon M K Featherstone's motion.

HON P J ISOLA:

Mr Speaker, we agree to the motion and we agree to the Report being made public. It is a pity, of course, that as far as other Members of the House other than the Select Committee are concerned, it is unfortunate that we haven't really had an opportunity to read it before agreeing that it should be made public but in the very special circumstances of this Committee we would agree. I notice that no Bill is attached and I have noticed also that this will be done shortly. As far as I am concerned, Mr Speaker, I prefer that no Bill should be attached to a Report, but that we should get the Report and that the Bill should be drafted against the background of what Hon Members say and against the background of a Government decision seeking to implement the Report.

HON CHIEF MINISTER:

What we want to do with this is for people to have time to look at it.

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

## SUSPENSION OF STANDING ORDERS

HON ATTORNEY-GENERAL:

Mr Speaker, I move the suspension of Standing Order 19 in order to be able to propose the motion of which I gave notice on the 18th April of this year which stands in my name.

Mr Speaker put the question which was resolved in the affirmative and Standing Order 19 was accordingly suspended.

## MOTIONS

HON ATTORNEY-GENERAL:

Mr Speaker, I beg to move the following motion in my name: "This House resolves that the Report of the Select Committee on the Matrimonial Causes Ordinance be now made public prior to its consideration by the House". Mr Speaker, in so moving I would like to say that my reasons for moving are the same as those of my Hon Colleague, namely, that there should be time for the matter to be considered and views obtained before a motion is put to the next meeting of the House of Assembly being a motion recommending the adoption of the Report. I move accordingly.

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

HON P J ISOLA:

Mr Speaker, we agree entirely that the Report of the Select Committee should be made public. I presume copies will be made available to anybody who wishes a copy because I think a lot of people will want copies of this Report. May I say, Mr Speaker, that I have read this Report and I would congratulate the Committee on how well the Report has been written although not necessarily agreeing with its recommendations but I think it is a very lucid Report and the case is put forward extremely well.

MR SPEAKER:

Copies, I understand, will be made available at the Secretariat.

HON ATTORNEY-GENERAL:

Mr Speaker, I am obliged to the House for their remarks and, indeed, as the Hon and Learned Chief Minister has said, copies are already available. I would commend the motion.

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

## PRIVATE MEMBERS' MOTIONS

HON J BOSSANO:

Mr Speaker, I beg to move: "This House is concerned at the decision of the Government to appoint an additional Trade Licensing Authority to hear one specific set of applications for a particular trading licence and considers that the matter should not be proceeded with in this manner". Mr Speaker, the purpose of the motion is not in fact to ask the House in any way to pass judgement on the merits of the applications themselves which is purely a matter for the Trade Licensing Authority. There are, as I see it, two implications in the way in which this particular set of licence applications have been handled which give cause for concern and which I think requires that the matter be debated in the House of Assembly. As I understand it, the decision to appoint a second Trade Licensing Authority arises out of the fact that objectors to the granting of the licence made representations to some members of the Committee. Whether this should happen or should not happen, I am not aware that the law prohibits it happening and I am aware that it happens constantly with every single application that comes up before the Committee, in fact, it is standard practice, for example, particularly say in the area of applications for building firms, that the Master Builders Association and individual firms make not only representations officially to the Committee but representations to particularly, I think, the people who are appointed to that Committee as a result of consultation with the Chamber of Commerce and with the Gibraltar Trades Council and the people who are nominated to the Trade Licensing Committee by the Gibraltar Trades Council see their function in that Committee, the Trades Council sees that as being directly linked to the clause in the Trade Licensing Ordinance that talks about the needs of the community being adequately met and interprets that in the context of the constitutional responsibility of the Trades Council to protect people at present in employment and in that context, in looking at firms that want to enter into employment, the Trades Council requires its representative on the Authority to consider whether the granting of the licence would effectively be not to meet an unsatisfied demand in the market but at the expense of established employers in Gibraltar and whether that would lead to a consequential reduction of employment in that same field of business or industry. As I say, if the fact that somebody is applying for a licence, if that is allowed to be used as an argument for changing the Trade Licensing Authority, then it means that

virtually everybody that goes for a licence will be able to demonstrate fairly easily that the people who are already established in that particular line of business object to his being granted a licence and that therefore because they have lobbied members of the Committee then the Committee should be changed and that appears to be the argument that has been accepted in this particular case. Secondly, I would like, in fact, to have explained to me how it is that Section 24 of the Trade Licensing Ordinance says: "There is a Trade Licensing Authority" and at the moment there are two Trade Licensing Authorities. There are two Trade Licensing Authorities in existence at the moment, the one that was there previously and the one that has been nominated because to my knowledge the one that was there have not had their appointment terminated by the Government. Given that, it seems to me that the Ordinance does not provide for two Authorities to exist concurrently and therefore one of them must be outside the provisions of the Ordinance, as I understand it. I am not, of course, a lawyer and I am just reading the law as a layman but to me the law seems to be perfectly clear. The situation I think has been created which to my mind is unnecessary. I think that there is scope within the composition of the Trade Licensing Authority, given that there are substitutes for both the people nominated by the Trades Council and the people nominated by the Chamber to allow the individuals if they feel that they are incapable because of any personal commitment to look at a case on its merits, there is in fact the possibility of ensuring that for a particular hearing the substitute of one or the other representatives should hear the case. The area where this cannot happen is in fact in the case of the independent members because the two independent members do not have substitutes but if there is an omission in the law it seems to me that possibly the omission might lie in that particular area in that it might be desirable to have substitutes for the two independent members as well. The other thing of course, Mr Speaker, is that the law already provides for the right of appeal and I would have thought if the person applying for the licence felt that the hearing was not a fair one and that his case had not been heard on its merits, then that could be used as an argument to appeal against the decision of the authority and I cannot see why there was a need to change the authority in this particular case. To my knowledge, since we introduced a Trade Licensing Ordinance in the House in order to comply with the requirements of the Treaty of Rome, there has not been a single previous case of this nature. This sets a precedent and I think precisely because it sets a precedent it needs to be looked at again and the purpose of my motion is precisely to do that so that the matter will not be

proceeded with as it was intended and that the Government should reconsider it and I put it to the Government and to the House that in fact the existing composition of the Committee allows the flexibility of replacing some of the individuals by others for any specific case and, secondly, the safeguard in the law of the right of appeal allows for the argument to be put against a rejection of the application on the basis that the application has not been fairly judged.

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

HON CHIEF MINISTER:

Mr Speaker, as far as the Government is concerned certainly the Government has acted on legal advice throughout and we are not concerned really what happens in the Trade Licensing Ordinance other than it should be regular and so on but if I understand the position correctly the whole trouble started because at the outset of the case one of the members of the committee who I think happens to be a member of the Trades Council himself said that if he wasn't going to sit at the hearing because he had been approached by one of the sides and with respect I think that is what has put the cat among the pigeons and then others said that they had been approached and some said they had not been approached and that is why the matter stood like that. I think the Hon Member has a point, I think we ought to, subject to anything the Attorney-General has to say, not only must justice be done but it must appear to be done and it looks as if though the Honourable Mover is speaking generally, I think he is particularly knowledgeable or concerned because as a member of the Trades Council the Trades Council provides members to the committee and I understand it to be his view, particularly so far as those members are concerned, that if the members of the Trades Council at that meeting or one of them had been approached and was not fit to sit that his substitute should have taken the place and not have the whole thing start de novo. As I say, even after listening to the legal advice perhaps what has been done is correct, I think the matter that the Honourable Member has disclosed has revealed a state of affairs which we ought to look into and I may ask for leave from the Hon Member before he replies to say something after the Attorney-General has spoken.

HON P J ISOLA:

I am not sure whether I understood the mover of the

motion correctly. As I understand the position there is a Trade Licensing Authority that sits in what I would call a quasi judicial authority and it is composed of representatives of trade and the Unions and two independents and they are set up to consider applications on their merits. One does know that the Chamber of Commerce appointees as indeed the Trade Council appointees are there to represent the interests of trade in the case of one and in the interests of workers or employees in this particular case, in the case of the other, but I don't think, although it possibly happens, I think lobbying in a way is inevitable but I don't think we can condone it in this House and I don't think I could agree that it was in order for somebody who was objecting, as indeed for somebody who was applying for a licence, to go to a member of the committee be it a union man or be it a trader, pursuing his case because if he wants to pursue his case that is what the Trade Licensing Committee is there for to adjudicate on it and if he objects to a licence he should go to the Trade Licensing Authority and object there.

From what I understand, one of the members of the Trades Council had been approached and lobbied and having been approached and lobbied he decided he should not sit.

HON J BOSSANO:

If the Hon Member will give way. What I understand in fact happened, Mr Speaker, is that the lawyer for one of the firms applying which is a firm with ownership from outside Gibraltar, made the allegation in the committee to the Trade Licensing Authority that in fact one of the members or more than one member had in fact been lobbied by the firms that were already established in Gibraltar and that consequently having been lobbied had already had his mind influenced to the degree that he was incapable of making a decision on the merits of the case before him and in fact this was corroborated by one of the Trades Council representatives that was present at that meeting and as a result of that a new Trade Licensing Authority has been appointed. I don't think that the fact that this accusation was made by the lawyer of the applicant and that one of the members of the committee who happens to be nominated by the Trades Council but for whom there is a substitute also nominated by the Trades Council, admitted that this was the case and said that his mind was already made up and that he was going to vote against the application irrespective of the evidence, I don't think that justifies the second step which has taken



place which is a second Trade Licensing Authority has been appointed and the first one continues in existence. If in fact they had scrapped the Authority altogether and nominated a new one to hear every application from now on, I would not be bringing the motion to the House but a new one has been created additional to the existing one exclusively for this case.

HON CHIEF MINISTER:

I think, first of all, it is bad to have special tribunals for special cases. That, constitutionally is improper and undesirable and the other thing which is also important is that if people lobby by simply passing on circulars or passing letters of objection sent to the Chief Minister or to the Government for a change of policy and so on and that is going to disqualify them, then we will never have any committee to live for long. People who are appointed to committees are presumed, unless they have various great objections themselves in which case of course that must be respected, are presumed to be able to resist the natural lobbying that is carried on in the sense that they want to promote a particular idea; so long as the lobbying is proper and uncorrupt as there is no suggestion that it was in any other way here but certainly by the number of letters that I have received in respect of one and to the other of these people as Government asking us to make facilities for one or to deprive facilities of the other, it could be said that the Government is also being lobbied which is perhaps right but the fact that copies of this document or that in any other way members are told should not unless the members themselves wish to be disqualified, disqualify the committee. Very rarely does a committee of this nature sit that the matters before it have not been brought to their notice in a perfectly correct way, whether correctly or not is another matter and therefore we would be having different committees all the time. The point made by the Honourable Mover about the substitute members presumably was done precisely to cover a situation such as this and I do know that in respect of representatives of the Chamber of Commerce when some of the people directly connected with them are concerned they leave the committee and their substitute takes over.

HON P J ISOLA:

Mr Speaker, I don't suppose you can stop people approaching you and saying things but I think that if I was a member of the Licensing Authority or I think if any member of that Licensing Authority who had an application before him and who was approached on the matter really should refuse to listen to the case.

HON CHIEF MINISTER:

If the Hon Member will give way. If you receive material which is being circulated about, being protected and so on, that is a sort of method of approach too.

HON P J ISOLA:

There is nothing wrong, I suppose, in getting material as long as all the committee gets it. I can't frankly, Mr Speaker, agree that if a member is sitting in that Licensing Authority and says: "Yes, I have been approached and my mind is made up, I am against this application," I don't see how he can continue sitting in that hearing. I think the proper thing is to withdraw.

HON CHIEF MINISTER:

Yes, quite.

HON P J ISOLA:

And if he does not then I am sure that the Appeal Court would immediately squash the decision of the Authority, I have no doubt about that at all and I certainly don't think that we should do anything in this House that gives encouragement to the idea or gives legality to the idea that lobbying of members in a Trade Licensing application, individually, is anything but corrupt. There is no question about it, they are there to do a job. We all know that there are interests and sometimes you go to the Trade Licensing Authority and you know their minds are made up, this is inevitable in a small place but I don't think we can accept that that should be the situation. That is the first part and I think that as a House of Assembly we would expect a tribunal, call it what you want, that has been set up by this House to consider applications, we would expect them to consider them free from all influence, as unbiased as possible and on the merits of the application, that is what we would expect, but we know that there are problems. I have always had my doubts actually about the composition of the Trade Licensing Committee but that is another story. The other point made by the Honourable Member I feel bound to say does seem to me to have some weight and that is that if one member of the authority has been approached and to that extent has made up his mind because he has been approached, then I can't understand why his substitute should not have been appointed and although it is for this House to take the opinion of the Honourable and Learned

Attorney-General in all these matters, it does seem to me, frankly, on reading that particular section of the Trade Licensing Ordinance, that there is power to appoint one authority. I defer to the opinion of the Hon and Learned Attorney General but it seems to me that the Ordinance does say one authority and I don't think the Governor can having created one authority create another for a particular application and I think the system of alternatives than substitutes in the circumstances would be the best. I have had letters, we have had copies as we walked into the House and it seems to be an application of great public importance and likely to affect the future of Gibraltar because all members of this side of the House were all handed letters today, copies of letters, when we came in to the House I am not sure whether it was on behalf of the people supporting the application or people objecting to the application and we have seen it and all I can say is, well, what do we want a Trade Licensing Committee for, we are not going to start adjudicating on these matters. Our views on gaming machines are well known and we actually oppose them, proliferation we oppose completely on this side of the House but it is not for us to decide that. To sum up, Mr Speaker, there can be no doubt about it, as far as we are concerned we think that in principle, even though in practice it may be a different story, any member of the Licensing Committee who lobbies and allows himself to be influenced to such an extent that without hearing the application says he is against it or he is for it, should not be sitting, his substitute should sit. Having said that, knowing how everything goes, I think one should be very careful to try and appoint an entirely new panel because somebody objects or some lawyer takes a point, I agree, even though it is a brother of mine, I must stand up to them wherever I can, but that doesn't derogate from the principle that the Trade Licensing Authority has a job to do under the Ordinance and no individual member should allow himself to be influenced or lobbied. I think that principle we must be very firm on.

HON ATTORNEY-GENERAL:

Mr Speaker, I am just recovering my notes which I seem to have misplaced. Mr Speaker, the first point I would make in speaking to this motion is that I think we are talking about a particular incident and I would hope to be able to persuade the Hon Member or to have the Honourable Member agree that it doesn't necessarily flow from this one incident, that there was a chronic continuing situation or do we need necessarily to know what has happened in this occasion. Having said that, there is in fact only one Trade Licensing Authority and it is my

opinion that we have not reached the stage in the course of this incident where there have been two Trade Licensing Authorities, certainly as a matter of law, and what the Ordinance contemplates is a single Trade Licensing Authority. It says so as is pointed out in Section 26 and the functions of that Trade Licensing Authority are what are commonly described as quasi-judicial and I think simply put that means that the Authority is expected to act in a way not exactly similar but broadly similar to the way a court would act, in other words, it has got to observe certain standards of detachment, objectivity and to avoid prejudgement on issues. But if I can speak briefly to the composition of the authority, it is the case as has also been pointed out and this is not uncommon for a statutory tribunal that the membership comprises people who represent different interests and there is nothing wrong with that whatsoever, it is a common thing that happens, especially, as I say, in a statutory tribunal and in this case I think it can be said in general terms there are business interests represented and there are employee interests represented and there are other what for want of a better word can be described as independent interests i.e. in a very neutral sense. I myself think there is nothing wrong, nothing improper, in fact I think it is the very good purpose of having an authority structured in this way that those members who are appointed on the nomination of particular groups are there to inject into the proceedings the philosophy, if you like, or the thinking or the interest of those groups but that is not the same thing at all as saying that in relation to a particular case they should listen to lobbying beforehand and make up their minds beforehand. I think that their import of representatives of a group is reflected in their overall thinking having first through the arguments put forward for each side. What I am saying is that I agree, with respect to both the Hon Chief Minister and with the Hon Leader of the Opposition, that it is wrong to receive representations outside this specifically because the Authority has a statutory procedure to follow which is laid down which provides for a case to be made out provides for objections to be made to it and a decision to be reached. I would agree with the Honourable the Chief Minister, I don't know whether the Hon Leader of the Opposition quite meant this but I don't think it necessarily follows that because somebody has approached a member of the tribunal that that is corrupt. I think possibly people don't appreciate clearly in their minds the difference between on the one hand a tribunal's membership representing certain interests and on the other hand the fact that it might still sit in a quasi-judicial manner.

So far as this particular case was concerned as I

understand it what happened was this that there were approaches made to at least one member beforehand and that when the matter came on at the hearing I think the point was taken by somebody that in any event that member, and I think at least two other members, disclosed that they had got views and that in at least one case they had been approached about the matter and there were already thereby saying in effect that they can come to a pre-determined view or if it is putting it too strongly to say that, they were putting themselves in a situation where an objector or a party who wished to take the issue had good reason to say it is not apparent that they are acting otherwise than with preconceived ideas. It is true that one remedy for that would be to appeal but really the law does have an element of practicality about it and if it is known at that stage that there is an apparent want of detachment then obviously one way of resolving it is for that particular body as so constituted not to proceed to hear the matter but to disqualify itself in effect and for somebody else to be appointed to hear that particular case. The fact that that process happened does not in my view mean that two tribunals exist.

HON J BOSSANO:

Mr Speaker if the Hon Member will give way. First of all, I assume that he is not suggesting that the organisation nominating the people was in fact lobbied or biased because if that was the case then by definition whoever is appointed by nomination is equally biased as his predecessor. So if we are talking about one individual, out of four nominations, admitting openly that he has been approached and that consequently his mind is made up and there is another representative of the Trades Council who in that meeting says that he hasn't been approached and there is a substitute for the person that says that he has been approached and admits it, then I cannot see why there is a need to nominate a completely new Trade Licensing Authority when one of the two people there said he had not been approached and the one that said that he had been approached had a substitute which was already in existence and which could have been substituted for the one that was admitting that he was biased. I cannot understand where the need arose. And the second point is that if the Hon Member says that there is only one Trade Licensing Authority I would like to know at this moment in time what is a Trade Licensing Authority because in fact the second Trade Licensing Authority, for example, met and was unable to consider the application because by some oversight it had been incorrectly constituted since only a Chairman and five members had been appointed

and it should have been a Chairman and six members. So if that authority, the second one, is improperly constituted is there none at all or is the first one still there or are we talking about a third one and then we are going to have three? Which is the exact position at the moment?

HON ATTORNEY-GENERAL:

If I can deal with the first point. I feel I haven't clearly got across what I was trying to convey to the Honourable Member that there is a distinction, I think, between the people or the bodies who nominate members to the authority and of course they have views and that is part of the reason why they are the people who nominate. There is a distinction to my mind between that and the persons so nominated still - observing the requirements of quasi judicial functions even though having observed those requirements when it comes to apply his thinking to the decision he draws on the philosophy or the views of the body he represents. I don't think I disagree at all with that but in this case - I would like to leave the question of how many authorities there are just for the moment - in this case I think it reached the point where it came out that a number of members had been approached in the matter and I think the thrust of the advice that was given was that the safest thing to do in that particular instance was to appoint new members and a group of new members was accordingly appointed, at least that is my understanding as the reasoning behind it. The Honourable member mentioned the question of substitutes. As I read the statute I do not really think that substitutes in the strict legal sense of the word are provided for, I think what it says is that there is an authority which shall consist of the Chairman and six other members of whom four may constitute a quorum. That formula, an authority of seven people of whom four are a quorum, is not the same thing as a statutory tribunal which has members plus substitutes. I don't really think the question of substitutes arose here.

HON J BOSSANO:

I am sorry to interrupt you. I accept that under Section 26 it doesn't mention substitutes but what I am saying is because I happen to know the people there, that there were at that meeting two persons nominated by the Gibraltar Trades Council one of whom said that he had been approached. On being challenged by the lawyer representing the applicant he said: "Yes, I have been approached. My mind has been made up before I came here and I am going to vote against the application without hearing the case or irrespective of what I hear." The other one of the two said:

"I haven't been approached." There are two people already nominated as alternate members or substitute members who have been gazetted. When the authority was constituted, in the gazette there were so and so and so and so nominated after consultation with the Trades Council and so and so and so substitute for the first two. In fact if one of the first two is ill, for example, one of the substitutes replaces him. Now if one of the first two was not ill but said that he was biased surely one of the substitutes could have replaced him, that is what I am saying.

HON CHIEF MINISTER:

The information I have just had is that the member who said that he had been approached said that the other two substitutes had also been approached.

HON J BOSSANO:

He might have said it, Mr Speaker, but suppose that member comes along and says that the two who have now been appointed have been approached what do we do next?

MR SPEAKER:

With respect to all the speakers up to now, we are missing the object of the motion. The object of the motion is "This House is concerned at the decision of the Government to appoint an additional Trade Licensing Authority to hear one specific set of applications for a particular trading licence and considers that the matter should not be proceeded with in this manner." What we have to debate is should a second authority have been appointed and should this be condoned, and not whether people should be biased or if they have been approached they should consider their entitlement to sit.

HON ATTORNEY GENERAL:

Mr Speaker, the object of what I am saying is to come to a point where I will be maintaining that there is not more than one Trade Licensing Authority, there is one Trade Licensing Authority and not more, and to explain why that is so and to explain that what has happened is not that a second authority has been created but that in the circumstances which arose in a particular case, there were reasons why it was desirable for that case at least to replace the members to hear the particular matter and in that sense, Mr Speaker, if I may, I would suggest that I am speaking to the point of the motion, unless you disagree with me. I do have to make a point that from a legal point of view I can see on a reading of the

Ordinance no authority for substitutes. But be that as it may the fact that one person out of two people who represent a group may have indicated that he had an interest and the fact that other members of the tribunal may have indicated that they had an interest and indeed the point made by the Chief Minister that the member who was speaking for that group, I think the Trades Council, may have said something about his colleague means that one gets to a point and a point of feeling if you like, that really the safest thing to do is to say in this case because all this has come up and to avoid any unnecessary contention by the party who has taken issue over a situation like this, we should reconstitute the authority for this case and I think that that was the thrust of the decision taken in this particular instance. I do not think this is a case where two Trade Licensing Authorities exist. The Trade Licensing Authority is a statutory body which consists of various members from time to time who can be replaced.

HON J BOSSANO:

But, Mr Speaker, they have not been replaced. The original appointments are still there and new appointments have been made. If the law says the quorum is four and suppose four of the people who are still appointed decide to meet are they properly constituted as a Trade Licensing Authority or not? If the letter of appointment had gone out to the existing members and said: "Your appointment is hereby terminated" and then a new authority had been appointed and heard the application and then after the application had been heard a letter had been sent to the new members and it said: "Your appointment is terminated", and then a letter of appointment had been sent to the old members, I would accept that all the time there had been one authority in existence but this has not happened. Letters of appointment have been sent to new people, the new people have met, the thing has been gazetted and the old ones still hold their appointment and in fact, as I said, in the old one whether Section 26 mentions it or not, there are four Trades Council nominees with letters of appointment and as a result of the new one there are about six Trades Council nominees with letters of appointment. That is why I want to know just how many authorities there are around the place.

HON ATTORNEY GENERAL:

Let me say, Mr Speaker, that if there is to be a change then of course for the time being at least the persons who have stood down should stand down from the authority while the persons who have been appointed in their place sit on a

particular case. If that hasn't happened, if that has not been carried into full effect then that I think that is a procedural point that has been overlooked. I don't think it has been anybody's intention to create a situation where there are two Trade Licensing Authorities side by side. There was one other matter I was going to refer to, Mr Speaker. I am afraid it has escaped me, Mr Speaker, but I hope I have been clear in saying that there is one Trade Licensing Authority. I don't believe that it has been the real intention to appoint a Trade Licensing Authority that exists side by side with it and I think that the real situation that arose here was that there was a need for the purposes of a particular case.

HON J BOSSANO:

Is the Honourable member aware that subsequent to the appointment of the second Trade Licensing Authority the first Trade Licensing Authority met to hear other applications? Is he aware of that? The second had been appointed and the first one was still meeting to hear other applications. It might have been an oversight so I am bringing the oversight to the notice of the House and I am saying this should be stopped and the whole matter should be looked at again from scratch because I really think that the law doesn't allow for this sort of thing. Are the applications heard by the second one who should have been disappointed or unappointed or whatever it is called, are they valid decisions or not?

HON ATTORNEY GENERAL:

I will look into that, Mr Speaker, that, procedurally should not have happened and I don't think that was the overall intention of what was to be achieved. If I could give an example. To me it is really like a case where a judge is sitting in a case, and I know that in the case of judges it is slightly different because once you are appointed they are always judges but leaving aside that aspect of it it is very similar to me to a situation where a judge is appointed in a case, either he says, "I happen to know a party" or somebody objects in some way for bias or whatever reason and so the judge will stand down and another judge will take his place. I think that is all that has been intended to happen in this case. If I can answer the point which I had temporarily forgotten and which the Honourable member reminded me of when he was speaking. The fact that only five instead of six members are appointed in my opinion is a matter of law not a reason why a body cannot sit. The law

does contemplate that six should sit plus the Chairman but it also says that a quorum of four is sufficient though I think that the authority could sit even though a total of six rather than seven persons were appointed.

HON J BOSSANO:

Is he aware, Mr Speaker, that in fact when the new authority, shall we say, met to consider this application, the lawyer for the objectors objected about the constitutionality of the authority precisely because one less person had been appointed than should have been and that point was accepted and the authority was told that it couldn't go ahead with listening to the application.

HON ATTORNEY GENERAL:

With great respect to my own profession the fact that lawyers before a tribunal make submissions is not necessarily conclusive.

MR SPEAKER:

The fact that it was accepted.

HON ATTORNEY GENERAL:

Yes, I am coming to that, Mr Speaker. My chambers so far as we can and in the last week I am afraid we have had other commitments, have been trying to provide counsel to assist the Authority and in effect, by and large, that is the normal arrangement and I think certainly had that argument been put forward counsel assisting the Authority would or should have taken issue with the point. I don't know whether in this particular case Crown Counsel was present but I have a feeling that at that time they were tied up in another case.

HON CHIEF MINISTER:

Mr Speaker, I hope that the matter has been aired enough and I don't want to be concerned with the Authority at all but as a Government I want to be concerned that the matter is thoroughly investigated and see what comes out of the wash because it seems to me that it is somewhat confusing and I would ask the Honourable Member to withdraw the motion, having called the attention of the House, on the understanding that the matter will be thoroughly investigated and considered in the light of all the points that have been made on both sides of the House.

HON J BOSSANO:

Mr Speaker, I have got no objection to withdrawing the motion, in fact my concern was that something should not be done which it seemed to me, quite frankly, to be a rather hamfisted attempt to get round the problem that had arisen by the fact that one member of the committee had admitted openly in the committee that his mind was made up before hearing the case. I think the way it has been done with the best intentions in the world, creates a series of precedent which I consider to be certainly a departure from the strict letter of the law as I read it and which would open a door for all sorts of further developments if other people use this particular incident when they have something they feel aggrieved about. What I want to ensure is that we go back to the beginning, really, and try to get the thing on a proper footing so that the application can be heard normally and then it is up to those there to decide on the merits of the case. I am not seeking either to express a judgement or influence in any way the decision of the authority, all I am concerned is that the decisions of the authority should take place within the framework of the law we passed in this House as I understand that law. If we want to do something different well then let us change the law.

HON CHIEF MINISTER:

I think this draws the attention generally of the point that the Government might look into it in consultation with the legal department in circularising members of committees as to the extent to which they can entertain or listen to, I mean it is impossible not to read a letter if it is sent but there should be some code of procedure for these people otherwise anyone who wants to delay a decision of any committee can get it by approaching the members and putting them in an embarrassing situation.

MR SPEAKER:

Am I to understand that the mover is asking for the leave of the House to withdraw his motion?

HON J BOSSANO:

Yes, Mr Speaker.

MR SPEAKER:

Does the Honourable Mr Bossano have the leave of the House to withdraw his motion?

This was agreed to.

HON CHIEF MINISTER:

I think that completes the business of this part of the meeting, I hope that the part of the meeting that was left unfinished at the beginning and that is the question of the two Select Committee Reports which are now before the House should be dealt with on the 24th May. That will not in any way interfere with the normal business of the House in having another meeting at the end of June or the beginning of July as would have been the case anyhow.

MR SPEAKER:

I will then propose the question which is that this House do now adjourn until Tuesday 24th May.

HON P J ISOLA:

Do I understand the position that we are adjourning to the 24th May just to discuss the two motions?

HON CHIEF MINISTER:

And the pending legislation on Companies Taxation which we announced at the time of the Budget was not ready.

MR SPEAKER:

Let there be no misunderstanding. Since it is an adjourned meeting that any Private Members' Motions can be given notice.

HON P J ISOLA:

Mr Speaker, the thing is that the last meeting of the House that we had in which questions could be asked was in March and we would certainly like on this side of the House to have an opportunity to ask questions at the next meeting in May otherwise you are getting a situation where for three months no questions can be asked and the House is sitting.

HON CHIEF MINISTER:

I am trying to cope with people's convenience as well. Apart from the fact that there is a C.P.A. Regional Conference which Members of both sides of the House are attending in June and the fact that some time after that the Hon Leader of the Opposition has indicated he would be unavailable, I tentatively fixed the next meeting

of the House for the 28th June.

HON P J ISOLA:

The Hon and Learned Leader of the Opposition will be at the Regional Conference and instead of coming back on the Sunday will come back on the Tuesday, I think that alters matters. Mr Speaker, as far as the procedure of the House is concerned we have question time, then we have public business, then we have private motions. We have been suspending Orders and not suspending Orders to allow changes to be made and even in May I presume suspension of Orders will be required to consider anything else because we have finished with the official business of the House. It seems to me that we are able to suspend Orders to discuss Government motions and to discuss Government Bills but the Opposition won't have an opportunity, we are talking of a month hence, to ask questions that are of public interest and that require to be answered. I don't see why we could not just adjourn sine die and then a proper notice given to us of all the Bills and all the motions that require to be put down in the normal way.

HON CHIEF MINISTER:

Proper notice will be given and the Bills to be decided on the Companies Ordinance will be circulated well in time for the meeting of the 24th. I consider this as a continuation of the meeting that we started.

MR SPEAKER:

It occurs to me that we would certainly have had to meet whatever else whether it is from an adjourned meeting or a new meeting, before the 30th June for the purposes of the Landlord and Tenant (Miscellaneous Provisions) Ordinance, as the moratorium expires.

HON CHIEF MINISTER:

But I think it would be much more convenient to have an earlier meeting and discuss the matter and then decide what the prospects are of the legislation coming into being and what, if any, further requirements for the moratorium. I don't mind if I now adjourn to the 24th May and questions are allowed, I don't mind.

MR SPEAKER:

That is completely and utterly in order.

HON CHIEF MINISTER:

I am not saying that no questions could be asked, all I am saying is that I want to adjourn this House to the 24th May.

MR SPEAKER:

There is one of two things that one can do. You can either adjourn this particular meeting to the 24th May or you can adjourn the House to the 24th May when a new meeting will be held.

HON CHIEF MINISTER:

I want to adjourn the meeting but I would not object to questions being asked in the usual way.

HON P J ISOLA:

Well, if there is no objection then there is no problem.

HON CHIEF MINISTER:

It is a continuation of the previous meeting. The business is an on-going one, I am not going to have a new Agenda other than whatever may arise of urgency at this meeting. I consider it as continuing. It does not matter, if you want to ask questions you ask them, but I want to have a continuation, I want to finish the business, that is the whole purpose. I therefore move that the House adjourn to the 24th May.

Mr Speaker then put the question which was resolved in the affirmative and the House adjourned to Tuesday the 24th May at 10.30 am.

The adjournment of the House to Tuesday the 24th May was taken at 6.30 pm on Thursday the 21st April, 1983.