

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

23 March 1983  
Vol. 1

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY.

The Fifteenth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Wednesday the 23rd March, 1983.

PRESENT:

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

GOVERNMENT:

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

OPPOSITION:

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

The Hon J Bossano

IN ATTENDANCE:

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

PRAYER

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 22nd February, 1983, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

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

The Traffic (One-way Streets) Regulations, 1983.

Ordered to lie.

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

The Biennial Report of the Department of Education for the period September, 1980 - August, 1982.

Ordered to lie.

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

The Group Practice Medical Scheme (Amendment) Regulations, 1983.

Ordered to lie.

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

The Public Service Commission Regulations, 1983.

Ordered to lie.

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

- (1) The Imports and Exports (Control) (Amendment) Regulations, 1983.
- (2) The Government Debentures (Exemption from Income Tax) Regulations, 1983.
- (3) Supplementary Estimates Consolidated Fund (No 5 of 1982/83).
- (4) Supplementary Estimates Improvement and Development Fund (No 5 of 1982/83).
- (5) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 7 of 1982/83).

Ordered to lie.

## REPORTS OF COMMITTEES

HON M K FEATHERSTONE:

Sir, I beg to inform you that I do not intend to lay on the table the Report of the Select Committee on the Landlord and Tenant (Miscellaneous Provisions) Ordinance. I shall be giving further information on this in answer to a question later in the House.

HON ATTORNEY-GENERAL:

Sir, I have the honour to lay on the table the Report of the Select Committee on the Matrimonial Causes Ordinance.

Ordered to lie.

## ANSWERS TO QUESTIONS

The House recessed at 1.05 pm.

The House resumed at 3.30 pm.

Answers to Questions continued.

The House recessed at 5.10 pm.

The House resumed at 5.50 pm.

## THE ORDER OF THE DAY

MR SPEAKER:

The Hon and Learned the Chief Minister and the Hon and Learned the Minister for Health and Housing have given notice that they wish to make statements. I will therefore call on the Hon and Learned the Chief Minister.

HON CHIEF MINISTER:

Mr Speaker, I have given notice of two statements. The first one is a statement on the Gibraltar Regiment as I normally do and it is with pleasure that I rise to make the customary annual statement on the affairs of the Gibraltar Regiment. This statement covers the period from 1 April, 1981 to 31 March, 1982. It is a little out of date, the information didn't come until recently. I hope I can make one this year in respect of the March one later on in the year.

The establishment of the Volunteer Reserve is 191 and was one below strength at the end of the period under review. This vacancy has since been filled.

In addition to the two annual training camps held in Gibraltar during the period under review, a total of 122 members of the Regiment, drawn from the Air Defence Troop, the Field Troop and the Infantry Company and Corps of Drums attended training camps in the United Kingdom, at Larkhill, Manorbier and St Martin's Plain. Weekend and evening training continued to be held in the usual way. The Regiment also participated in Exercise Winter Rain/Quickstep II. A number of the Regular members of the Regiment and volunteers successfully attended courses both locally and in the United Kingdom. In addition all members of the Permanent Cadre carried out Military Training in accordance with Army Training Directives and Administrative Instruction No. 24. The new traditional "local shoot" was held on 30 and 31 May. It consisted of firing to sea by both the 105 mm PH and 40/70 guns. The 105's fired at oil drums and a barge in both the direct and indirect role whilst the 40/70 fired at a towed splash target and at the barge. The Infantry also took the opportunity to fire the GPMG on 31 May. A total of 200 105 mm rounds and 300 L40A1 were fired.

The Regiment carried out the ceremonial mounting of the Convent Guard as well as the usual ground holding party for the wreath-laying ceremony by His Worship the Mayor at the Lobby of the House of Assembly on Remembrance Sunday. In addition the Regiment provided the Guard at the Convent on the occasion of the visit to Gibraltar of their Royal Highnesses the Prince and Princess of Wales as well as a detachment and Colour Party for the 200th Anniversary of Sortie Day. The Corps of Drums performed during Her Majesty's Birthday Parade, the Three Kings Cavalcade, the Royal Engineers Freedom of the City Parade, a Band Display in aid of the Sergio Gill Fund, Sortie Day Parade and the St John's Ambulance Brigade 60th Anniversary Parade. In addition, and as is now the usual practice, the Regiment provided a Port Sergeant and Escort to the Keys for all Ceremony of the Keys Parades. All Ceremonial Salutes were fired by the Regiment.

The House will be glad to note that the Regiment continued to participate in most sports and assisted Youth Clubs and Organisations as well as participants in the Duke of Edinburgh Award Schemes. At this juncture, Mr Speaker, I am sure the House will wish to congratulate the Regiment's .22 small bore team for their performance this year. The Regiment's A Team were winners of the 1980/81 GTSA League Championship and Division winners of the TAVR League.

The Gibraltar Regiment Association met twice to deal with a number of matters affecting the Regiment.

Mr Speaker, should any Member wish to have a copy of the detailed Report I will be pleased to make it available to him.



In conclusion, Mr Speaker, I am sure this House will agree that the Gibraltar Regiment continues to play a very important and effective role in Gibraltar. Members will wish to join me in thanking the Regiment and wishing them well in all their endeavours.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to associate this side of the House with the words of the Chief Minister and perhaps I would just like to say it is a pity that the report is so stale and out of date. I believe that rather interesting things have happened since the last report and I think we look forward to hearing the next one, I hope, in the not too distant future.

HON CHIEF MINISTER:

Mr Speaker, the second statement of which I gave you notice is on the recent developments regarding the Lisbon Agreement.

I am sure the House will bear with me if, by way of introduction, and, as it were, to set the scene for the rest of my statement, I were to recall briefly that the Lisbon Agreement was signed on 10 April, 1980 and that, under its terms, officials on both sides were to meet as soon as possible in order to prepare the necessary practical steps which would permit the implementation of the Agreement. The Agreement itself envisaged that these preparations would be completed not later than 1 June of that year.

On that date, Gibraltar declared itself ready for implementation, but it seemed that there were administrative difficulties on the Spanish side. Later, there was much talk instead of the granting of equal rights to Spanish nationals before implementation could proceed. In January, 1982, it was agreed in London, at the highest level, between the British and Spanish Prime Ministers, that the Agreement would be implemented on 20 April. That was postponed because of the Falklands conflict and the new date of 25 June was agreed. That too was postponed, this time sine die, although it was clear that Britain was ready to go ahead. On 10 December, 1982, the Secretary of State and the new Spanish Foreign Minister met in Brussels. They repeated their adherence to the Lisbon Agreement and discussed implementation. They decided to meet again with a view to implementation of the Agreement in the Spring. They arranged for officials to meet to consider details.

Once again, although Britain continues to be anxious to implement the Agreement, there has been a postponement, again, it seems, sine die.

The Agreement was conceived in a 'spirit of friendship' and it looked forward to 'closer understanding' and 'practical cooperation on a mutually beneficial basis'. It was intended as a means of building up trust and confidence. The delays caused by the Spanish Government have inevitably had the opposite effect and have given rise to serious doubts about the Spanish Government's repeated references to their concern for the people of Gibraltar. This latest failure to implement the Agreement will exacerbate distrust in Gibraltar and will alienate opinion further both here and in the British Parliament.

In the meantime, on 7 December, 1982, the Spanish Government announced that the frontier was to be opened to certain restricted categories of pedestrians. This was to be done for humanitarian reasons because, it was stated, the Spanish Government did not wish to penalise the Gibraltarians. At the same time it was made clear that the Spanish Government would ensure that its economy was protected.

While regretting the discriminatory nature of the partial opening, I welcomed the move itself when it was announced, as a step in the right direction. We have all seen how quickly and how smoothly the people on the two sides of the border have resumed their former close family and personal links and it is my own hope that those friendly relations, at a personal level, will not be affected by the decision of the Government in Madrid not to proceed with the Lisbon Agreement.

For the period of three months since the partial opening of the frontier, we in the Government took the view that, before any steps were taken, we should have a clear idea of the actual effects on the economy. We also, of course, had in mind what we thought, in spite of the experience of the past, was a solemn undertaking to implement the Lisbon Agreement in the Spring and that we should therefore, for this reason also, await the development of events.

There now appears to be little prospect of the Agreement being implemented in the foreseeable future - if, indeed, the Spanish Government intends ever to implement it. It is our view, therefore, that the partial opening of the frontier must now be approached strictly on the terms in which it was announced. The first point is that it was intended for humanitarian reasons and that is how, in our view, it should be interpreted. By 'humanitarian' we understand primarily the opportunity for relatives on the two sides of the border and friends to see each other frequently and at less inconvenience and expense than before.

The second point made by the Spanish Government was that it had to protect the Spanish economy, including Malaga airport. This protectionism has manifested itself in a total ban on the importation of any kind of goods from Gibraltar into Spain. People have been prevented from taking their fishing

rods in order to take part in an angling competition and difficulties were placed in the way of a Gibraltarian guitarist wishing to take part in a charitable concert in Spain. It seems that the exportation of a football trophy and the importation of a butterfly and a beetle also endanger the Spanish economy. It is difficult, in these circumstances, to understand talk of cultural, sporting and other contacts. Indeed, as I have already said, it is now difficult to believe the statement, repeated over the years, that the Spanish Government respect the interests of the Gibraltarians. It now seems clear that they do not.

Be that as it may, we are now, I believe, fully entitled to take such steps as may be necessary and desirable to protect Gibraltar's economy in this new situation. To this end, the Government has considered a number of possibilities and I have already had preliminary discussions with the Leader of the Opposition and the Hon J Bossano and arrangements will be made for further discussion and for an early meeting with the Chamber of Commerce and the Gibraltar Trades Council. There will also be consultation with the British Government.

As the House will appreciate, this is a complex matter. On the one hand, it is desirable, in the general economic interest, that Gibraltar's traders should prosper. On the other hand, the Government must also consider the interests of the individual consumer in areas where, either apparently or in reality, advantage has been taken of the lack of competition in recent years. It is the Government's objective to try and reconcile these different interests and to act accordingly. Nearly three months ago, in my New Year Message, I said that we had to look to the general good of the economy and the need to ensure that we do not undermine it by our own acts but that the local trader had also to be careful to ensure that his own position was one of fair and reasonable competitiveness.

The possibilities of action to which I have just referred relate primarily to the question of imports from Spain which are undoubtedly affecting some sectors of the economy, although the precise extent of the effects is not easy to determine.

The second, and perhaps more important aspect, is that of personal expenditure in Spain by Gibraltarians on recreation, restaurants, travel, care hire, etc. Here too there are difficulties in quantifying precisely but the best advice I have is that this kind of expenditure is even more damaging to our economy, overall, than the importation of goods, even though the latter is also a cause for concern.

Gibraltar is a free society and people are entitled to spend their money where and how they wish. I have so far refrained from expressing a view on this matter publicly because we had been led to believe that the Lisbon Agreement would be fully implemented in the Spring and that the situation since 15 December, 1982, would be transient and short-lived. Now that

we know that this will not be the case, I have no hesitation in stating quite clearly that it is the firm view of my colleagues and myself that people should consider very carefully indeed the damaging effects on our economy which will result from a continuing high level of spending in Spain.

We are, of course, fully aware of the complexities of this matter. We fully understand the desire of people who have been confined to a small and overcrowded territory to take advantage of the leisure and recreational facilities available next door. We also fully understand that, for example, prices in restaurants in Spain are very attractive. We know that there are certain groups of people who have been able, because they possess the means and privileges, to enjoy over recent years the facilities to go to Spain which have only recently become available to all. But with the present discriminatory regime applied at the frontier, the more money that is spent in Spain which would otherwise be spent here, the more damage that is done to the economy as a whole and initially, in particular, to the private sector where jobs may soon be at risk.

However complex the situation may be, it is nevertheless the responsibility of the elected Members of this House, after carefully weighing all the arguments, to come to a conclusion and to express their considered judgement on the matter. The judgement that my colleagues and I have arrived at, after the most searching and detailed discussion, is that a continuing high level of personal expenditure in Spain would be detrimental to the interests of Gibraltar and that it is our duty to point this out and give guidance accordingly.

I do not mind saying in this House that it is a great disappointment that so many Gibraltarians should have flocked to Spain, in their thousands, in such a hasty and indiscriminate manner. I know that there are some who have not done this at all, but many others appear to be doing little else. These same people will turn to and rely on their political leaders to protect and defend their interests generally but, in the meantime, they are enjoying themselves in the hinterland, businessmen spending their locally made profits, and employees the UK parity wages they earn here, thereby undermining the economy of Gibraltar, again, because of the discriminatory way in which the opening of the frontier is operating.

Are Gibraltarians 'panzistas'? I should like to think that the majority are not. Are they people who want the best of both worlds? Good profits for some - a guaranteed parity wage for others? And the opportunity to spend their money there, thereby affecting our economy and our prosperity?

I know full well - and I have written to the Governor expressing my shock and surprise at the outcome of last week's talks in London - just how untrustworthy the Spanish Government is over Gibraltar. But this in no way excuses

the actions of so many Gibraltarians over the last three months. I hope, at least, that the fact that it is now clear that the Spanish Government apparently has no intention of implementing the Lisbon Agreement in the foreseeable future will make many people think again about their attitude in relation to continuous spending in Spain. I must make it very clear that I am not referring to family contacts and that, in this sense, the humanitarian aspects must at all times be respected.

Quite apart from any view that people outside Gibraltar might form over the behaviour of Gibraltarians in the last three months, we could also be placing at risk the support of the British/Gibraltar Group in Parliament. I do not believe that the British Government will ever renege on its commitment, written into our Constitution, to support the freely and democratically expressed wishes of the people of Gibraltar, but I believe we are in danger of losing a great deal of the massive support we enjoy in Britain if it were to be thought there that we want British citizenship and British political protection while, at the same time, a good number of our people regard Spain as their playground or as a means of commercial profit prior to the implementation of the Lisbon Agreement.

I am, of course, fully aware that these remarks are not going to be universally politically popular. But, a number of us have fought very hard over the last twenty years to protect Gibraltar's identity, its political integrity and its economy. We live in a democracy and if it is the wish of the majority that we should not take a strong line on this issue, so be it. But I cannot believe, after all these years, that this is the case and, if I am right, then people must awake to the true situation and demonstrate this through their actions.

It may be thought that I have said some harsh things. I have done so. But I believe they needed to be said. Gibraltar is a democracy and, if what I have said is not representative of the views of the great majority, we shall know the answer in the very near future in the sort of response that we get to the views I have expressed.

I do not wish to be negative. My recommendation, and that of my colleagues, to the people of Gibraltar is that we should continue to maintain the posture we have adopted over the last twenty years. Our identity as Gibraltarians and our attachment to Britain are the principles which have sustained us in our resistance to Spain's pressures. We think that the majority of us still believe deeply in these principles and that these should be uppermost in people's minds when they ponder on what I have said. If we do not, then let us accept the suggestion made in 'The Times' on 19 March that there should be a referendum in Gibraltar.

But, if there is to be such a referendum, let it be an honest one. Let not the votes in such a referendum be in favour of the continuation of our links with Britain, in a political and constitutional sense, while so many people establish commercial and recreational links with Spain in circumstances which are having a serious effect on our economy because of the way the frontier is open.

It is our hope that Hon Members opposite will share and support the views I have expressed.

HON P J ISOLA:

Mr Speaker, on this side of the House we did express, as you will recall, great scepticism in the December debate last year on the manner of the opening of the frontier and the partial opening that had occurred. We were suspicious of the way it was being done and we have been extremely concerned at the consequences for Gibraltar of the partial manner of opening. We, too, of course, agreed to see whether, in fact, give the benefit of the doubt to the new Socialist Government of Spain with these fantastic ideas that they were putting forward, we gave an opportunity to the Spanish Foreign Secretary who had told us in a television interview last July how much he was against any restrictions on the border and that the solution of the problem, nothing to do with restrictions, and that if the Socialists came into power they would take them all away and so forth but once they did get power, Mr Speaker, he ran true to form and really he has been no different than any Foreign Minister of Spain whether of the Right or the Left, of Franco or anybody else. The principles that they apply to their own country they are not prepared to apply to Gibraltar and the statement of the Foreign Minister after his meeting with the British Prime Minister in London I am sure has left everybody in no doubt at all that the Spanish Government may have no intention of honouring the agreement solemnly entered into by their predecessors. I know that this is welcome news to my Hon Friend Mr Bossano who has always proclaimed himself against the Lisbon Agreement but I do not envy the allies he has in this. The present Spanish Government seem to think the same way as he does and I would be a bit nervous and uneasy to find myself in the same bed as them but be that as it may, Mr Speaker, on this side of the House as Hon Members are aware I have in fact put down a motion in the House which asks the Government to take any measures necessary to protect the well-being of the Gibraltar economy and I think that the statement by the Hon and Learned Chief Minister provides an excellent background, if I may say so, or an excellent preparation for that debate where Hon Members will be able, I feel, to try and translate feelings properly expressed by the Chief Minister of how people in Gibraltar should be feeling at this time, to translate them into some sort of positive measures to protect Gibraltar from being dismembered and ruined after eighteen years of putting up with

a blockade and putting up with severe restrictions and throwing away the advantages that we have gained for ourselves during that time and we certainly on this side of the House agree entirely that the people of Gibraltar should reflect very much on the situation that exists today, should reflect very much that the Spanish Government has once more shown itself to be quite insensitive to the true principles of democracy where the people of Gibraltar are concerned and there is a need, Mr Speaker, for a positive response from us in Gibraltar not only in our own interests but also in the vital interest of protecting Gibraltar and keeping Gibraltar for what we know it to be and what it has been for so many years and preserving it for future generations. Mr Speaker, there is a lot that has been said by the Hon and Learned Chief Minister with which we on this side of the House fully agree and I hope that in the debate that will follow on my motion it will be possible for Hon Members, especially colleagues of mine who I know have very strong views on the matter, to give their own feeling and their own reaction to the present dangerous situation for the Gibraltar economy. There is all the world of difference, Mr Speaker, between a partial opening of the frontier which is completely discriminatory, which only allows certain people to go through and does not allow others, does not allow GBC to go in with their equipment, does not allow people to go in with their fishing rods and all that, and a frontier that has no restriction, that is fully open between two civilised countries and in which then in that sort of situation it is my belief that the Gibraltar economy and the people of Gibraltar could rise to the challenge and, if anything, improve the standards of living to which we are accustomed because that, after all, is one of the main purposes of the exercise. Mr Speaker, we would support the statement made by the Chief Minister in its general terms and hope to enlarge on our own views in the debate that will follow in later proceedings of the House.

HON J BOSSANO:

Perhaps let me just say that the degree of consultation that there has been at this stage is in fact to be forewarned of, roughly, the nature of the statement and therefore as far as I am concerned and my party is concerned, we shall have to look at the measures and judge them on their merits if and when measures are going to be announced to deal with the consequences of the action.

HON CHIEF MINISTER:

I am sorry, perhaps the Hon Member misunderstood. Precisely to see what measures, the consultation will take place.

HON J BOSSANO:

Let me say, Mr Speaker, that in looking at the situation obviously I am looking at it from a different perspective to other Members of the House precisely for the reason the Hon and Learned Leader of the Opposition has mentioned, that I and my party have opposed the Lisbon Agreement from its inception and its non-implementation is welcome to us. That does not make us bed fellows with Señor Moran because in fact we were not prepared to sit with a British delegation to discuss Gibraltar's future or anything else that the Spanish delegation might wish to raise and that, I think, hardly qualifies us for the description of bed fellows with anybody from the other side of the frontier. It would appear to me, Mr Speaker, that the assessment of the British Government coincides more with the assessment of Mr Pym than with the assessment that we make of the situation because Mr Pym said in the House of Commons that the implementation of the Lisbon Agreement will be of economic benefit to Gibraltar which is something that I would disagree with and something that the Government itself has said would have to wait and see whether it is or it isn't. But if, in fact, Mr Pym believes it is of economic benefit and if the Spanish Government believes it is to be of economic benefit, let nobody in this House be in any doubt or mislead anybody outside this House into thinking that the Spaniards are going to take any action of economic benefit in Gibraltar without demanding something in exchange. And if we are not prepared to give anything in exchange then we must be absolutely clear that that will not materialise, whatever it is called, whether it is called the statement, the Strasbourg process or anything else, if there is no quid pro quo it will not materialise. My position was that I was convinced that we would be required to give things in exchange and that the economic benefit would not materialise anyway because I do not think it is there. As far as looking at the situation today I think it would be a mistake to try and exonerate the people of Gibraltar for the consequences of their action by pinning the blame on the Spanish Government and saying we are being subjected to restrictive discriminatory treatment or that there is a Spanish campaign to undermine the economy of Gibraltar. The economy of Gibraltar is not being undermined because of the lack of people coming in, it is being undermined because of the number of people going out and nobody is forcing them to go out, the fact that there is an open frontier does not oblige anybody to go there and visit their relatives and then go off for a weekend and spend £100. If we are looking at people's right and freedom to choose to spend their money where they want and I do not think we have got the right in a democracy to deprive them of that, what we have got is an obligation of pointing out to them the consequences of their actions and in fact not to try and say that we are being victims of anything other than our own shortsightedness. I think in a situation such as this, Mr Speaker, the analysis, and I think the Hon Member is right in saying that possibly the greatest impact on the economy

is a switch in the pattern of expenditure away from consumption of certain goods purchased previously in Gibraltar not in substitution of those goods by others which are being imported but in spending it on doing other things, on having leisure activities which previously was beyond their reach. It is an extremely difficult thing to control if it has to be controlled by decree, it is a very simple thing to control if people are willing to exercise self-discipline. I think the only thing the House can say to the people of Gibraltar is where the fifteen Members in this House stand and let others stand up and be counted.

MR SPEAKER:

I will then call on the Hon and Learned the Minister for Health and Housing to make his statement.

HON J B PEREZ:

After very careful consideration the Government has now decided to transfer the responsibility for the allocation of all Government-owned housing excluding Government Quarters from the Minister to the Housing Allocation Committee. Government Quarters will continue to be allocated by the Quarters Allocation Committee.

In future the allocation of post-war and modernised accommodation will be the responsibility of the Housing Allocation Committee and will continue to be made strictly on pointage awarded to the applications in accordance with the provisions of the Housing Allocation Scheme. Pre-war accommodation will be allocated by the Housing Allocation Committee on the advice of the Housing Advisory Committee.

The recently constituted Medical Board will advise the Housing Allocation Committee on the award of medical points or medical categorisation under the scheme and on the allocation of the 20% provision for cases in the medical category.

The composition of the three Committees will be as follows:-

- (a) The Housing Allocation Committee will consist of -
  - (i) an independent Chairman
  - (ii) three independent members (one of whom is to be nominated by the Gibraltar Trades Council)
  - (iii) the Public Buildings Inspector of the Public Works Department who will advise on the technical aspects of buildings, both pre and post-war, on cost effectiveness and on the estimated costs of materials for rehabilitation of flats. He would also be in a position to say whether accommodation becoming

available had been earmarked for a future project and, if so, indicate whether any date had been set for the commencement of work.

- (iv) the Housing Manager, who will have an advisory role and be the Secretary.
- (b) The Housing Advisory Committee will consist of four members -
  - (a) the Public Buildings Inspector of the Public Works Department, who will be the Chairman of the Committee
  - (b) a representative from the Department of Labour and Social Security
  - (c) a medical practitioner
  - (d) a representative from the Housing Department.
- (c) The Medical Board will consist of -
  - three consultants in different fields of medicine.

Mr Speaker, I feel that the transfer of responsibility together with the re-constituted Committees and the recently published Waiting List will improve substantially the machinery for the allocation of all Government-owned housing.

I must also place on record that this matter has been under consideration for some time by Government and that all the ground work has been carried out by my predecessor the Hon Horace Zammitt.

HON A J HAYNES:

Mr Speaker, it seems that the Government in exile ie the Opposition, have finally had their way in the Housing Department. The Minister failed to remark on the ground-work done by the Opposition and I count my predecessors in Opposition, in laying the foundation for this move which is long overdue, I may say. In principle, as one would expect from a party which has had these two major pillars in its policy for housing printed in its manifesto, we approve, in principle we approve the measures to be introduced by the Housing Department. We will, of course, wait for the practical outcome and the working ability of these Committees before we extend that approval to a full acceptance. I think that is all I want to say, Mr Speaker.



BILLS

FIRST AND SECOND READINGS

HON ATTORNEY-GENERAL:

Mr Speaker, the Traffic (Amendment) Bill is not ready to proceed at this stage.

MR SPEAKER:

So you are not going to proceed with the Traffic (Amendment) Ordinance.

HON ATTORNEY-GENERAL:

No, Sir.

THE LANDLORD AND TENANT (TEMPORARY REQUIREMENTS AS TO NOTICE) (AMENDMENT) ORDINANCE, 1983

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) Ordinance, 1981 (No 16 of 1981) be read a first time.

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

SECOND READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be read a second time. Sir, the purpose of this Bill is to further extend the moratorium introduced by the 1981 Principal Ordinance during which period neither notice to quit can be given nor may rents be increased under any contractual or statutory tenancy. The necessity for the Bill, Sir, arises because of the fact that the review of the Landlord and Tenant legislation has still not been possible to be completed and therefore the extension date would be until the 30th of June, 1983, by which time it is expected that the Bill will be completed. There is one matter, Sir, which will be dealt with in Committee and that is the proposal in respect of business premises where there is no dispute between the landlords and tenants as to the renewal of a business premises, what remains to be negotiated is the new rental under the renewal. If there is no dispute as to the renewal it follows that there continues to be security of

tenure and this is a matter therefore which the Government considers that it can look at in Committee with a view to providing that in notification of those premises there could be some revision of the rental between now and 30th of June. That is a matter which will be considered further in Committee. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, we support this but not very much in spirit because it is unfortunate that on a matter so vital as landlord and tenant we seem to be having some delay. Mr Speaker, as we have been told by the Chairman of the Select Committee that the House will shortly be receiving the report of the Select Committee, I suppose we must restrain our excitement at the prospect and exercise patience and await the report. Mr Speaker, the only thing that worries me is that the extension now until the 30th of June may well mean that if there is to be a new Landlord and Tenant Ordinance, the House will be asked to pass the Landlord and Tenant new Ordinance through all its stages in the June meeting of the House and I must give warning that we would be very, very reluctant to do that on a matter so important unless we have the legislation with us at least a month before we are expected to debate it. It is important, the new Landlord and Tenant Bill, not only from the point of view of the local market, if I may call it that, tenants in Gibraltar and so forth, but it is also very important, Mr Speaker, from the point of view of development and I hope that the Select Committee, I am sure that the Select Committee, have taken account of that, that there will be a need to bear in mind the very substantial development that Gibraltar is going to require if it is to survive as an economic unit and the Landlord and Tenant Bill could play a very decisive part in this. I think the last time we had a Bill before us asking us to extend the moratorium on this Bill I did say, and I say it again, that I hope that the Select Committee have been advised of the provisions or of the recommendations contained in the report on the diversification of the economy which I know is available to Government Ministers. I have had it but it has only been available to me but I think that my Hon Friends in the Committee have certainly not seen it nor have they been told about its contents. I hope I can be assured by the Chairman that the Committee has had and has been able to look at the provisions about the diversification of the economy report that relate to landlord and tenant insofar as it concerns diversification and future development of the economy because if they have not then I fear that the legislation that will

come forward may, whilst pleasing some, result in a stultification of development in Gibraltar that could have very serious consequences for the economy. This is why, Mr Speaker, I am extremely anxious that if everything is to be done by the 30th of June, that that report of the Select Committee should be circulated to Members and especially to Government Ministers connected with development and with the economic position of Gibraltar at an early stage so that we do not find ourselves passing a Bill that could have bad results for the economy quite apart from the effect it could have anyway on the internal parts of Gibraltar. The Landlord and Tenant to my mind is a most difficult subject in trying to relate and trying to balance the interests of landlord and tenant but forgetting them both for a time, trying to create a situation which encourages people from outside to put in vast sums of money into Gibraltar to create development, to create jobs, to create opportunities. I know it is very difficult to balance this but I hope that the Select Committee has had all the information that is required in this respect. Mr Speaker, we support the Bill but I do hope that my words, especially about giving us plenty of time before being asked to put a Bill through the House at all stages, if we were asked to do that and I suspect that is going to be the position, then I give notice that certainly it would be totally wrong if that draft Bill was not published a time ahead of it being discussed in this House.

HON CHIEF MINISTER:

Mr Speaker, it would have been easy to show a little complacency and have extended the moratorium longer but I deliberately thought that it would be only fair to extend it for another three months only if in fact and certainly there is no intention by that in curtailing the full discussions of the Select Committee's Report and any draft Bill that is brought in that respect even if it means an extension for another month or two, this is certainly not the intention. I would like to say that we have received representations from the Property Owners Association in respect of one aspect of the Bill which they think is fair should be dealt with which we propose to do in Committee and that is to allow the giving of notices in respect of landlords notices or tenants notices when there is no opposition on the part of the landlord for the granting of a new tenancy. At this stage I think we should, other than that amendment, try and pressurise the speed of the production of the Committee's Report in order that we can discuss this matter and certainly have the time that the Hon Leader of the Opposition has requested. We certainly do not want a measure of this kind, I am not referring to this Bill but to the question of landlord and tenant which has been pending for so long in any way to rush the House at all.

MR SPEAKER:

Does the Hon and Learned Attorney-General wish to reply?

HON ATTORNEY-GENERAL:

Sir, I think there is nothing I would wish to add except that I have myself noted what the Hon and Learned Leader of the Opposition has said. I commend the Bill to the House.

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

HON ATTORNEY-GENERAL:

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

SUSPENSION OF STANDING ORDERS

HON ATTORNEY-GENERAL:

Sir, before the Companies (Taxation and Concessions) Ordinance, 1983 is moved I wish on this occasion to move the suspension of Standing Order 30 and I would like to explain why. The reason it has been necessary to do this is because the Bill has only been published very recently, I appreciate. This Bill originally set out to make certain amendments to the Companies (Taxation and Concessions) Ordinance which I will not anticipate now. There has also been for some considerable time a strong demand for further copies of the Ordinance which is to be amended and it seemed to me that it was a good opportunity to incorporate the amendments into a complete rewrite of the Bill and in the circumstances I regret having to seek to waive Standing Orders but it was not possible to complete the rewriting and check it properly until after the due date.

Mr Speaker put the question which was resolved in the affirmative and Standing Order 30 was accordingly suspended.

THE COMPANIES (TAXATION AND CONCESSIONS) ORDINANCE, 1983

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to provide for concessions in relation to income tax and estate duties in respect of certain companies registered in Gibraltar, and for the imposition of a flat annual tax, and for matters relating thereto, be read a first time.

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

## SECOND READING

### HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to move that the Bill be read a second time. As the Hon and Learned Attorney-General has just mentioned, the Ordinance would replace the Companies (Taxation and Concessions) Ordinance of 10 March, 1967, which is being repealed primarily for presentational reasons. It needs streamlining following the abolition of exchange controls in 1979. Accordingly, in the new Bill all references to authorised depositories, the scheduled territories and residence for exchange control purposes have been removed. In addition, Sections 11 and 12 of the Ordinance which deal with the issue of bearer certificates and coupons by tax exempt companies require amendment since there are no longer exchange control barriers to the issue of bearer or foreign currency securities. The issue of bearer securities would now be allowed so long as they are deposited with a bank, not necessarily in Gibraltar, for the benefit of persons approved as shareholders and the bank does not part with them without permission. An important new feature is the proposed extension of the taxation and concessions facilities to foreign registered companies. As Section 3 of the Ordinance stands at present only locally incorporated companies may register. It has been represented that Gibraltar's use as a financial centre would increase substantially if the facilities were accorded to foreign incorporated companies which register under Part IX of the Companies Ordinance and would otherwise qualify for exemption. Important companies could be interested in operating offshore branches in Gibraltar for this reason but are being prevented from doing so by the substantial capitalisation which a locally registered subsidiary might require. An annual tax of £500 is proposed for such companies. The facilities, however, would not be extended for the time being to insurance companies. To do so would only add to the problems we have in that area at present. I stress, Mr Speaker, that this should hopefully only be an interim measure until we have a strong insurance supervisory system backed by suitable legislation. The Finance Centre Group who have been consulted in the preparation of this Bill, has suggested to the Government that there is no need to legislate for this aspect since the issue of exemption certificates is entirely discretionary. However, we are looking at this and we may be introducing an amendment at the Committee Stage of the Bill. In future, Gibraltarians and residents would be allowed to acquire an interest in tax exempt public companies in any overseas country if the shares of those companies are quoted on a recognised stock exchange. At present such interests may

only be acquired through the vehicle of UK public companies whose shares are quoted in the London Stock Exchange. Section 7 of the 1967 Ordinance restricts transactions in tax exempt company shares but there is the proviso that if shares are registered in the name of trustees the restrictions do not apply to the acquisition by transfer, sale or otherwise of an interest in the company by a new or substituted beneficiary under the trust. As shares are now frequently held through trusts and nominees, the proviso could be used to circumvent the vetting that is done of applicants, particularly of companies whose business involves the acceptance of money or other assets from the general public. For this reason it is proposed that the Section should be amended so that the terms of the proviso no longer apply to such companies or to cases giving rise to apprehension that persons who would not have been acceptable as shareholders on an original application for exempt status, may have acquired an interest in an exempt company under the provisions of the Section. There are also minor machinery changes to Sections 10(3), 13 and 15 of the Ordinance. I should perhaps explain that Section 15 of the Ordinance (which sets a penalty of £25 for companies in default of payment of its annual tax seeking reinstatement) that an undesirable practice has crept in with regard to the payment by companies of first instalment of the tax. The section provides that the penalty is not payable if all arrears of tax are paid within thirty days after the day on which the tax became payable. Although this was originally only meant to meet the situation of on-going companies, the grace period is also being taken advantage of by newly registered companies to get round the provisions of Section 10(3) which requires the first instalment of tax to be paid within thirty days from the date of issue of the exemption certificate. Because of Section 15(2) such first instalments are now rarely paid within the prescribed period. The new wording in the proviso to this Clause will remedy the matter. Mr Speaker, Sir, I commend the Bill to the House.

### MR SPEAKER:

Does any Hon Member wish to speak on the general principles and merits of the Bill?

### HON P J ISOLA:

Mr Speaker, let me say first of all that we welcome the idea of having a Bill bringing everything up-to-date and having everything in one Ordinance and saving people the trouble of having to go looking at all the amendments that have been going on and in this particular case where this is something that would be required for lots of people outside Gibraltar, it is particularly welcome. The Bill, as the Hon the Attorney-General has explained has come a little late because he wanted to present the full Bill. I think it is proposed that this Bill should go through all its stages

tomorrow and what I would like to be assured by the Financial and Development Secretary is that the people that he referred to, I think the Finance Group, who have been advising or recommending or asking for this Bill, have actually seen the text of the Bill before the House as opposed to what they have been recommending, that they have actually seen the text and have no comments to make on it. Normally this would happen but as the Bill only came out very recently I would certainly like to be assured that this is the case. That is the first one. The second point, Mr Speaker, we welcome the Bill and there is only one point I would like to make, Mr Speaker, not one, one or two more. The penalties have been brought up-to-date for people who do not do things, breach of secrecy provisions and so forth, the penalty is £1,000 for anybody who discloses anything. Is there any particular reason why there hasn't been included as well a short term of imprisonment because the secrecy provisions are, as I am sure the Hon Financial and Development Secretary will realise, extremely important and whereas fines may not be such a deterrent I think the prospect of a prison sentence as well for disclosures could act as a bigger deterrent and I wonder whether provision could be made on that rather important point of secrecy because whether Gibraltar develops as a Finance Centre or not depends very greatly on the confidence that is established between outside people and local Government officials. I understand representations have been made on the question of companies registered under Part 9 who will come in and be eligible for registration as exempt companies. I know a problem has arisen in this respect and I hope that it can be cleared up before the next Christmas meeting of the House because from what I hear it seems to me that without that particular problem being cleared up the benefit to the economy of these people paying a fixed £500 a year may not occur. I hope serious consideration will be given to that and I didn't quite understand what the Financial and Development Secretary said about companies that are taking advantage of not paying their tax when they are first registered. Let me tell the Financial and Development Secretary from personal experience that because of the postal services that exist, I am not referring just to Gibraltar but internationally, meeting the deadline of thirty days from the date of registration as far as the tax is concerned is not really a very practical proposition in a number of cases, that has been my experience, unless the people who have applied for exempt status are already in funds to pay or they want to pay it themselves and trust that they will get paid. My own experience is that whereas they tend to wait for thirty days in the annual payment, the first payment is not always possible to make within the thirty days because of the postal problem, this has been my experience, so I hope it is not too hard on the first registration and then he can be as hard as he likes on the people who do not pay up at the end of the year. Thank you, Sir.

HON CHIEF MINISTER:

Mr Speaker, with regard to the first point made by the Leader of the Opposition, the Finance Centre Group had asked for an interview with me before the preparation of the Bill which I had fixed for yesterday to make sure that I didn't get Easter coming and delay the matter but by that time they had a copy of the draft Bill and in fact I had a meeting with them and with the Finance Centre Adviser and, in fact, the meeting mainly concerned looking at this Bill even though in fairness to them they had had very little time to look at it but they had had enough time to make a number of suggestions most of which can be met and will be met in the Committee Stage. So that part of the point raised by the Leader of the Opposition, the first point, I can assure him that that has been the case. I met the three lawyers of the Finance Group yesterday with the Finance Centre Adviser. With regard to the second point I am glad that the Hon Member has given notice that there is concern about the other aspect in respect of Part 9 and that he hopes that we should have something at the next working session. Well, I am grateful for that because we are trying to be in the position to be able to bring an amendment that will be acceptable which of course has only been suggested in the last three or four weeks by the Centre Group, let it be said, despite the fact that it is so important now but, anyhow, we are trying to clear the line to be able to bring an amendment that will not meet with difficulties elsewhere and I am glad that that will not be dealt with at this meeting because otherwise it might have been counter productive, for that I am grateful.

HON J BOSSANO:

Mr Speaker, I am not very sure whether this amendment to which both the Hon and Learned Chief Minister and the Leader of the Opposition are referring, is something to amend something we are doing now or something to amend something that already exists? We are not putting something in the law now only to amend it in a month's time?

HON CHIEF MINISTER:

Perhaps I should put it this way. Those parts of the Bill which would have been an amendment if it had not been incorporated in the whole Bill are the ones on which suggestions have been made. There is no question of looking at the whole spectrum, the matters that are being reproduced are the same as before but in the areas where the amendment which have prompted the publishing of the whole Bill.....

MR SPEAKER:

The new areas, in other words.



HON CHIEF MINISTER:

The new areas, it is in those areas where they have suggested some element of betterment for the working of the whole Bill. I hope that is clear.

HON FINANCIAL AND DEVELOPMENT SECRETARY: :

If I may, Sir, I think that the Hon Member is asking whether the amendment we would bring to the next working meeting of the House would be in relation to this Bill. It would in fact be in relation to the Companies Ordinance.

HON ATTORNEY-GENERAL:

Mr Speaker, I would like to speak briefly to the Bill on three points. The first is that I can tell the Hon and Learned Leader of the Opposition that the only changes in the Bill, the only substantial changes and we have taken the opportunity to we think tidy up things like paragraphing but the only substantial changes are the amendments which were originally proposed as an amending Bill, the rest of the Bill follows the established Companies (Taxation and Concessions) Ordinance which the Hon and Learned Leader of the Opposition and the Hon Financial and Development Secretary have told us now has a vintage dating back to 1967 but these are the only changes. As far as penalties are concerned I think the change from a fine to imprisonment is really something of a change of principle. We are really only concerned to increase the fines which are the only penalties at present provided in this Bill and so we have not considered the question of imprisonment. I must say my own inclination is against imprisonment, a fine is the appropriate penalty. The other matter I might mention which is really quite incidental to the Bill as such but Members may like to know that if the Bill is passed by the House when it comes to be published as an Ordinance we will take the opportunity to make ample copies available.

MR SPEAKER:

Does the Hon Mover wish to reply?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Thank you, Mr Speaker, I do not think so except to say that I have noted the points made by the Hon and Learned Leader of the Opposition on the thirty-day rule. Mr Speaker, I commend the Bill to the House.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

THE PENSIONS (AMENDMENT) ORDINANCE, 1983

HON ATTORNEY-GENERAL:

Sir, in this case as well I regret that I have to move the suspension of Standing Order 30. This Bill was in fact published a day after the 7-day deadline.

Mr Speaker put the question which was resolved in the affirmative and Standing Order 30 was accordingly suspended.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Pensions Ordinance (Chapter 121) be read a first time.

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

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to move that the Bill be read a second time. I notice with interest looking back into Hansard, a habit which I picked up since I came to Gibraltar, I have been led to it by my elders and betters, that one of my first speeches in this House related to the fact that we were going to introduce this Bill, that was in 1979 in October, and we have just got to it and not all of it at that. Anyway, having said those few words of introduction, the Bill before the House, Sir, is to amend the Pensions Ordinance, it is designed to give legal effect to the resolution passed by the House on the 31st October, 1979, to the effect that shift allowances should be included as pensionable emoluments as provided for in the shift agreements that have been in force for the last few years. It had, Sir, initially been intended that the resolution should be given legal effect by a declaration made by the Governor-in-Council. This was possible in respect of non-industrial pensionable officers who fall under the Principal Ordinance but the Attorney-General advised this could not be done in respect of industrials who are non-pensionable employees thereby falling under the Pensions Regulations. However, the Attorney-General further advised that an amendment of Section 2 of the Principal Ordinance changing the definition of weeks

wages, weekly wages pay and week pay to include any allowance would be sufficient to govern the expression where the words appear in the Regulations thus enabling the Governor's declaration made under Section 2 to have legal effect over industrials and other non-pensionable officers. Pending the enactment of this amendment to the Ordinance, pension benefits which would become due in respect of shift disturbance allowances have been paid by administrative arrangements on my authority given under the Public Finance (Control and Audit) Ordinance. Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, obviously, I welcome the fact that the Government is actually legislating something that I thought was already legislated. I think the original motion was moved by me in 1979 and was carried unanimously and certainly I think the impression that the workforce has had is that the matter had been in fact incorporated in the Pensions Ordinance for everybody.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1982/83) (NO 2) ORDINANCE, 1983

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

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

## SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be read a second time. The Bill seeks to appropriate, in accordance with Section 65(3) of the Constitution, a further sum of £1,322,543 out of the Consolidated Fund. The purposes for which this sum is required are set out in Part 1 of the Schedule and detailed in the Consolidated Fund Schedule of Supplementary Estimates (No 5) of 1982/83 which I tabled at the commencement of this meeting. The Bill also seeks to appropriate, in accordance with Section 27 of the Public Finance (Control and Audit) Ordinance, the sum of £13,000 as set out in Part 2 of the Schedule to the Bill and detailed in the Improvement and Development Fund Schedule of Supplementary Estimates (No 5) of 1982/83 which I also tabled at the beginning of this meeting. Sir, Hon Members will doubtless discuss in detail at the Committee Stage the provision sought, I would however draw attention to the fact that some £1.22m of the amount sought is to make an increased contribution to the Electricity Undertakings Fund and Potable Water Service Fund. This is as we have done every year for the past three years that I have been here to try and bring up on our best estimate the amounts outstanding at the end of the year on these funds so that we start off in the new financial year with, as it were, a clean sheet. The actual amount required under the Potable Water Supply Service and the Electricity Supply Service have in fact already been voted. In order to anticipate, if I may, because it has happened on two previous occasions, a question by the Hon and Learned Leader of the Opposition as to how we would stand at the end of this financial year given the Supplementary Appropriations which we have had which with this will come to some £2.99m for the course of the year, I would say that mainly as a result of underspending by Departments in other areas, our projection is that we are on course and that there will be a very small surplus for 1982/83 of about the amount that was envisaged this time last year when the draft estimates were presented to the House. Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, the only thing I would like to give notice to the Financial and Development Secretary is that at the Committee Stage I think we would welcome a fairly detailed explanation on this question of fuel costs which we raised last time in this House when we voted supplementary provision in respect of fuel and we are now being asked to vote

again quite a large sum although I think, I may be wrong, it seems that from what I have heard the Financial and Development Secretary say we have already voted this money apparently and is this just switching it from one fund to the other?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is an accounting device, Sir.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

The House recessed at 7.05 pm.

THURSDAY THE 24TH MARCH, 1983

The House resumed at 10.40 am.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause:

- (1) The Licensing and Fees (Amendment) Bill, 1983;
- (2) The Law Revision (Miscellaneous Amendments) Bill, 1983;
- (3) The Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) Bill, 1983;
- (4) The Companies (Taxation and Concessions) Bill, 1983;
- (5) The Pensions (Amendment) Bill, 1983, and
- (6) The Supplementary Appropriation (1982/83) (No 2) Bill, 1983.

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

THE LICENSING AND FEES (AMENDMENT) BILL, 1983

Clause 1

HON ATTORNEY-GENERAL:

I beg to move that Clause 1(2) be amended by the deletion of the word "March" and the substitution thereof of the word "May".

Mr Speaker put the question which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

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

Clause 3

HON MAJOR R J PELIZA:

Mr Speaker, I would just like to point out something on this particular clause. When I spoke earlier on the general principles of the Bill, I declared an interest and of course I will declare an interest again. I think this is a very welcome Bill for the reasons which I expressed then but there is, however, one point that one should bear in mind and that is that there is a possibility of creating monopolies under the Bill and this is caused mainly because of the copyright which in my experience is so connected with the actual product itself that it cannot be acquired separately and because of the nature of the produce which is one and no other and it must be that or it is just not available, it could in the hands of any distributor established in Gibraltar really create a monopoly of a nature that would be costly to the clubs who are renting the films and also of course, eventually, to consumers themselves. I have given thought as to how this could be overcome in the Bill and I do not think it is possible to do it here. But perhaps the way to look at it is if this were to happen, and I am not saying it will, but if this situation were to arise, I hope the Government will give serious consideration to implementing price control if that were the case. I do not think, as I say, that it may necessarily arise. It is very easy to find out whether there is undue profiteering in that line in that the films are available in the United Kingdom without the copyright of the wholesalers at certain prices that can be made available but as I expressed before it can be made available but they cannot be used in Gibraltar. Therefore it is easy to assess whether there is profiteering or not and perhaps the Government can give an undertaking that if that were to happen then of course the Government should not hesitate in implementing price control on those particular items.

HON CHIEF MINISTER:

Sir, we are treading on rather dangerous grounds in this Bill to some extent in an endeavour to protect the consumer and we cannot really go into the question of copyright which is a subject of civil legislation in interests as between parties and not for the state, the Government is endeavouring to make an element of protection of the quality in respect of the copy. Having regard to the present proliferation and the competition it isn't likely that there is going to be profiteering but if as a result of this we find in practice that it is so stringent that only a few people are allowed and then they become very demanding on the prices, which is I think what the Hon Member has referred to then of course we shall have to look at either that or whether the Ordinance is working. Certainly when we are dealing with an area which is new ground and we really don't know very well how the thing is going to work, we will keep the whole thing under review not only in respect of price control but in respect of the application generally. I don't think anybody wants to do harm other than for the purposes of protecting the people and not for the sake of harming somebody who may be making a good living out of this proliferation of shops which I am afraid is not only typical of Gibraltar but I am told it is found everywhere.

HON MAJOR R J PELIZA:

I want to make it quite clear that I welcome the Bill, there is no question about it. The only fear is since this of course now makes it a criminal offence for anyone to start renting a copy, as it should be, I am not against that, and if therefore you have a distributor for certain films in Gibraltar, the only people who clubs can acquire it from is from that particular distributor, it is possible therefore, I am not saying it is going to be done, I am saying it is possible that it could lead to profiteering through the creation of a monopoly. All I am asking the Government is if this were to happen and I am not saying it is going to happen since it is easily detectable, this is a case which is easily detectable, that they should apply price control.

HON CHIEF MINISTER:

Yes, I am going a little further. I am saying that I am concerned with how the whole thing is going to work generally.

HON W T SCOTT:

Mr Chairman, as I understand it, when we had the meeting last February when we were discussing the general principles, one of the reasons, and the Chief Minister himself has repeated the reasons behind this legislation, was to protect the consumer and it seems to me that the consumer even

without this legislation already has something going through the Consumer Protection Unit, through Trading Standards where, for example, if he receives a bad copy that he is dissatisfied with perhaps he has some redress with the Trading Standards, if not in law certainly in sympathy and there are very few shops of that nature that would not take heed of the advice given to them by the Trading Standards.

HON CHIEF MINISTER:

I think, Sir, that the improper pirating, not just copying with copyright in one place and then passing it on to another outlet is not likely to be protected like that because each case has to be looked at on its own merits and you could get a pirated copy the sound of which is good and therefore it would be a very time consuming and expensive thing to do that way. If we have agreed in principle that improper reproduction is undesirable from the point of view of the general protection of consumers then I think we must pursue that angle.

HON MAJOR R J PELIZA:

I assure the Chief Minister that what he has said is right, it is very, very difficult to track them down and of course reputable firms are just out of business, they just cannot compete, because the price of one is so much less than the price of the other that it is just impossible to compete and it is either a question of breaking the law deliberately or going out of business.

HON P J ISOLA:

Mr Chairman, I did raise at the last meeting of the House on the second reading in relation to this the question of the prosecution of offences and the need for a defendant to have to prove that it is an authorised copy and the difficulties that this involves. The thing is I want to make comments on 29(b) and 29(c).

MR SPEAKER:

We have got a notice of an amendment to Clause 3. Perhaps it should be moved so that we can then talk generally on the matter.

HON ATTORNEY-GENERAL:

Mr Chairman, I move that Clause 3 be amended in the following manner: By inserting in new section 29(2)(a) after the words "on to it" the words "directly or indirectly" and to omit the words in the same paragraphs section 29(2)(a) the words "or films" and substitute the words "films or television images".



Mr Chairman, this is a technical amendment. After the Bill was published somebody made the point that it is possible to make a video tape not merely from another tape but also from a television image and that is why this proposal is now made. The words "directly or indirectly" are intended to throw a net as wide as possible in case there is a multi-stage process.

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

HON P J ISOLA:

Mr Chairman, I mentioned that as far as 29(c) was concerned at the last meeting it seemed to me a bit hard to depart from the normal principle that if somebody is accusing somebody else of having a copy, it is the person who accuses who has to prove the guilt of the person and not the person who is accused who has to prove that it is an authorised copy. I can see great difficulties arising for either side, I must admit, but it seems to me hard on a person who may have bona fides purchased a video film or video cassette which he then hires out to his customers to be prosecuted for it and to have to prove that the person who sold him the copy which could be somebody in London, had the authority or consent of the person holding the copyright. How does a video dealer in Gibraltar or club or whatever it is they are called, how does he go about proving that he is authorised? I just do not see how he is going to do it, he is going to be convicted. I don't know whether if one were to leave out subsection (3) altogether, for example, and just say "no person shall lend by way of business any video cassette or video tape that is an unauthorised copy", that would enable a defendant, first of all, the prosecution would have to prove it is unauthorised, and it would give the defendant the opportunity to say that it is authorised. I think it is a bit hard, I don't know whether the Hon the Attorney-General has thoughts on that.

HON ATTORNEY-GENERAL:

Yes, it is a tough provision, I agree. Can I put the case forward so that Members can consider it, we are introducing a principle of licensing for the lending of video films and we are tackling the question of the unauthorised use of those tapes and films and I think it was said at the last House that we are aware that in Britain they are looking at the question at greater length and that once we have seen how they deal with it we will look at the matter again ourselves. We are also aware that in Britain it is proposed I think to be a serious criminal offence. I recall the penalty is something like two years imprisonment and quite a substantial fine. It seems to us when we were preparing the

proposals for this Bill that if it is to be efficacious it is going to be hard to prove that a person is using a copy without authorisation. I am looking at it from the point of view of the prosecution at this stage, but it is going to be hard to prove it from the prosecution point of view. On the other hand if you look at it from the defence point of view it does seem to me that it is not impracticable for a person using a copy, I am talking about the lender, the person in the business of lending in Gibraltar, if he is in possession of tapes or cassettes he ought to know whether he can properly use them or not and I would not have thought it was an impracticable task at all for him to ascertain whether he has due authority under the person who has got the copyright to give him the power to lend, to check that out and it seems to me therefore it is not unreasonable to put the burden on him. One matter which could ameliorate the harshness of it would be if it were made clear and I must admit it is something I took to be the case anyway although when I think further on the licensing there may be some doubt, if it was made clear that the defence attempts depend on mens rea, in other words, he committed an offence if he knowingly did it. That would be one way to tackle it.

HON P J ISOLA:

That does seem to me to be a possible way out, Mr Chairman, because my experience of it is that the guy who is complaining of somebody selling a pirate copy can usually marshal the evidence and the trouble with copyright is that there are so many stages in which it can be sold down the river, as it were, this is the trouble. If the film rights have not been sold for video reproduction there is no problem, it just shouldn't be there, but unfortunately that is not the case. But I think the suggestion of the Hon and Learned Attorney-General of inserting "knowingly" between "shall" and "lend" is I think the answer, very much so.

HON ATTORNEY-GENERAL:

Mr Chairman, might I correct something. It has suddenly occurred to me that the question of mens rea should be dealt with in subsection (3). It should be, I think, not so much that the person knowingly lends a copy because everybody will know it is a copy, I think what I should have said and what I would now say is that it shall be an offence in a prosecution for a person either to prove that he does have authority or to prove that he had no reason to think that it was unauthorised. It should be tackled in subsection (3) rather than subsection (1) and I can propose such an amendment, Mr Chairman, if I might just have a moment to draft it.

HON MAJOR R J PELIZA

Could I just throw a little light on this, on how it can happen, because I don't know whether a loophole cannot quickly be found in that, for instance, the way that one can acquire a film is by buying it from a distributor but if this distributor, and there could be collusion, the distributor says he has got the copyright and the individual in Gibraltar buys it from that distributor who says he has got the copyright, it is a way of getting through it and then of course if the situation arises all he has got to say is: "I thought, at least I was not sure that I have it because the distributor in the United Kingdom gave it to me as if he had the copyright". I am not so sure that by putting that in we are really overcoming the problem.

HON CHIEF MINISTER:

We are only protecting the chap who gets video films from a reputable firm who is acting disreputably, that is to say, a reputable firm whom the distributor here has no reason to believe that he hasn't got authority to lend it which is the case that I think I mentioned at the last meeting, a case on sound tapes that I had some years ago where the company came along and visited the places and found a number of pirated tapes on sale and when the people were tackled, the reputable commission agent produced a list from a reputable firm from whom he had obtained this to distribute locally. He didn't know nor did the actual distributor, he didn't know who imported them for sale in this case nor did the actual seller know that they were pirated films and yet they were and it couldn't be disputed and they had to be surrendered. It is rather hard and when we start getting into an area of legislation which is imposing restrictions and we are treading on new ground I would rather play for safety of the individual in the first place and see whether in that way the abuse can be curtailed. I don't think we can go from one extreme to the other.

HON P J ISOLA:

I think I would agree with that, Mr Chairman, because the man also has to be believed because it would very much depend on what is reasonable cause to say I honestly thought they were authorised. He will obviously be asked why and so forth but it will depend on whether he convinces or not but at least it will avoid the position of a defendant being found guilty who has done everything in a bona fides way and is seen to have done it in a bona fides way. But while the Hon and Learned Attorney-General is looking to his amendment there is another question I had, Mr Chairman, on 29(2)(b) - "the licensing authority may attach such other conditions to the licence as he thinks fit" - that is pretty wide. What are the sort of conditions that are envisaged?

HON ATTORNEY-GENERAL:

Mr Chairman, I think if one looks at the other provisions of the Licensing and Fees Ordinance which is a very wide one, I agree, but it is usual form to have power to effect conditions on such terms as they deem fit. Can I come back to the point we were talking about before. I think there are two ways to tackle this and one is rather easier on the prospective defendant than the other. Mr Chairman, subsection (3) of 29(c) could be amended by adding either the words "or that he had no reasonable grounds for believing that it was so lent" which I think is the tougher provision because he has to make out reasonable grounds or a lesser provision would be to add the words "that the lender had no reason not to believe that he did not have that authority or consent". I have written out the first one, Mr Chairman.

MR SPEAKER:

Yes, but let us not get bogged down. If we are going to have amendments to another part of this particular subsection let us deal first with the amendment that you have proposed and then we can deal with other matters. Does any Member wish to speak on the amendment to subclause (3) as moved by the Hon and Learned Attorney-General?

Mr Speaker then put the question in the terms of the Hon the Attorney-General's amendments 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 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 abstained:

The Hon Major R J Peliza

The amendments were accordingly passed.

MR SPEAKER:

We now continue with Clause 3. Perhaps you should move the amendment and then pass it on to me.

HON ATTORNEY-GENERAL:

Mr Speaker, I move that the new subsection (3) of section 29(c) be amended by adding the words "or that he had reasonable grounds for believing that it was so lent". Meaning, of course, lent with authority or consent.

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

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

The following Hon Member voted against:

The Hon J Bossano

The following Hon Member abstained:

The Hon Major R J Peliza

The amendment was accordingly passed.

HON W T SCOTT:

Mr Chairman, I am not entirely happy from the consumer side with the arguments put forward by the Government in particular the answer given to me by the Chief Minister earlier on and that is, thinking a little bit further, if there is a retailer or an individual company that has an exclusive right, for example, of one film which in itself is a copy because the original is a film, it is not a tape, and within the exclusive right that he has it also covers perhaps the distributor at a local level making copies of that the same

as the distributor in the United Kingdom is entitled to make copies, and they are all termed originals, there is nothing in this legislation to protect the consumer insofar as the standard of the film is concerned, in other words, the protection that the Government is seeking as far as the consumer is concerned for bad copies could very well still arise because the original company at a local level having exclusive rights for that video might himself also have rights to copy that at a local level and there is nothing in this legislation to protect the consumer of the standard of that copy.

HON CHIEF MINISTER:

I think the answer to that is very simple and that is that no reputable firm allows its originals to be reproduced improperly and locally. This is very, very closely supervised and in fact they are seeking further protection, let alone giving anybody the permission to reproduce. In fact the people who want to carry out this business in a proper and authorised way are endeavouring to get the company to make sure that there is not even authorised reproduction which would mean that they have to keep up to a standard distributed rather than their own. I do not think that applies very much, I do not think a reputable firm, Paramount, MGM, or one of these who have the right would delegate the right of reproducing to anybody other than people with the right kind of equipment to do so and not to deteriorate what is their copyright and which is their protected copyright.

On a vote being taken on Clause 3, as amended, 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 A T Loddó  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member voted against:

The Hon J Bossano

The following Hon Members abstained:

The Hon P J Isola  
The Hon Major R J Peliza

Clause 3, as amended, stood part of the Bill.

Clause 4

On a vote being taken on Clause 4, 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 A T Loddó  
The Hon J B Perez  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member voted against:

The Hon J Bossano

The following Hon Members abstained:

The Hon P J Isola  
The Hon Major R J Peliza

Clause 4 stood part of the Bill.

Clause 5

On a vote being taken on Clause 5 the following Hon Members voted in favour:

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

The following Hon Member voted against:

The Hon J Bossano

The following Hon Members abstained:

The Hon P J Isola  
The Hon Major R J Peliza

Clause 5 stood part of the Bill.

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

THE LAW REVISION (MISCELLANEOUS AMENDMENTS) BILL, 1983

Clause 1

HON ATTORNEY-GENERAL:

Mr Chairman, there is one particular technical amendment I would like to make to this Bill. One clause, which is clause 2, you may recall as I said at the second reading debate, increases the amounts involved in bankruptcies and I mentioned then that the law revision commissioner will be making similar proposals for companies but at this stage they are not ready but there will be another proposal being submitted to the House for companies. I think it is important that they should be synchronised. We should not have bankruptcy figures being revised upwards until such time as the Companies one has also been considered by the House. What I therefore propose is to amend clause 1 to add a new subclause (2): "(2) Section 2 shall come into operation on a date to be appointed by the Governor by notice published in the Gazette". By that device once the Companies proposals have been considered they could be synchronised.

MR SPEAKER:

You will be renumbering of course 1 as subclause (1).

HON ATTORNEY-GENERAL:

Yes, there will be a consequential renumbering of what is at present subclause (1).

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



Clauses 2 to 28 were agreed to and stood part of the Bill.

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

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

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

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

THE LANDLORD AND TENANT (TEMPORARY REQUIREMENTS AS TO NOTICE)  
(AMENDMENT) BILL, 1983

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

Clause 3

HON ATTORNEY-GENERAL:

Mr Chairman, I move to add as Clause 3 the following clause:

"Exception. 3. The Landlord and Tenant (Temporary Requirements as to Notice) Ordinance, 1981, so far as it relates to increases of rent but not otherwise, shall from the commencement of this Ordinance, in any case where under Part III of the Landlord and Tenant (Miscellaneous Provisions) Ordinance, the landlord consents to an application by the tenant for the grant of a new tenancy (whether that consent is given before or after the commencement of this Ordinance) and the only matter to be determined is the rent payable under the new tenancy, cease to apply in respect of that new tenancy".

Sir, if I could speak on the amendment. Although the moratorium is being extended until the 30th of June of this year, representations have been made that in the case of business premises this is causing some difficulties or some hardship and that where there is no risk to the security of tenure of the tenant, in other words, where the landlord has agreed that he will not oppose an application for a new tenancy, the moratorium should not apply simply to determination of what the rent will be under the new tenancy. The intention of the amendment is this, that if at any time since the commencement of the moratorium a landlord has indicated that he will consent to a new tenancy, then as from the commencement of this present Bill it will be possible for the Court to proceed to determine the rent under the new tenancy even though that involves an increase.

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

HON A T LODDO:

Mr Chairman, the Hon Attorney-General said just now that representations had been made and I would like to ask, first of all, representations have been made to whom?

HON CHIEF MINISTER:

If the Hon Member will give way I might avoid him part of his question and then he can carry on. The representations were made by the Property Owners Action Group who say: "That in view of the fact that the Report of the Select Committee appointed by the House to look into the Landlord and Tenant legislation is to be submitted to the House only a week before the abovementioned Ordinance ceases to have effect and indeed it has not been amended, it is unlikely that Government will be in a position to legislate definitely before the 31st of March and accordingly might well consider extending the moratorium for a further period, Government will no doubt appreciate that the moratorium on an increase of rents which has now lasted about two years has had the effect of subsidising one sector of the community particularly traders at the expense of another, namely, the property owners. The unexpectedly lengthy duration of the moratorium has caused considerable hardship to a number of property owners particularly those who have to maintain themselves out of their rental incomes and those who have paid substantial cost of maintaining and decorating their property. In the circumstances we would respectfully propose that if the moratorium is to be extended for a further period there should be excluded from its scope notices to terminate served by landlords upon business tenants since 10th July, 1981, if the notices in question state therein the landlord's intention not to oppose an application by the tenant for the grant of a new tenancy. You will no doubt appreciate the first notice not only gives the business tenant the security of tenure that he undoubtedly requires but also enables him to negotiate a fair market value rent with the assistance of legal advice and valuers' reports if negotiations fail to obtain the determination by the Supreme Court of the fair market value rent". We thought that that was a fair request in the circumstances where the tenant is not at risk of being evicted and that is why amendments have been proposed. I just wanted to give the reasons.

HON A T LODDO:

Mr Chairman, I thank the Hon the Chief Minister for that explanation. I actually had not asked where the application had come from. I assumed it was not going to be from the tenants, it would have to be from the landlords. What I wanted to ask, Mr Chairman, was who the application had been

made to. The last time that the Select Committee on Landlord and Tenant met I think it was November of last year. Since then they have not met. I, as a member of that Committee, have no intimation that any application had been made at all. Again, this is the second time since the Select Committee on Landlord and Tenant has been sitting, this is the second time when there has been an amendment to the law brought before the House without any consultation having taken place with the members of the Committee. I am not surprised because it is the second time that it has happened, but I must say that I am rather annoyed, Mr Chairman, that this should be the case.

HON CHIEF MINISTER:

This letter which is addressed to me, by the way, is dated the 18th and arrived in my office on the 19th in connection with this moratorium that is coming before the House now. It seems to me that it was an emergency request and not one of substance. No doubt the Committee has not been consulted either about the extension of the moratorium but it was an inevitable result of the fact that the Committee's Report is not available. There has certainly been no intention on my part to by-pass the Committee in any way. I thought that this was purely a procedural matter in connection with a temporary extension of the moratorium arising out of the fact that unfortunately the Select Committee has not yet produced their Report.

HON A T LODDO:

Mr Chairman, that might be the case, I do not doubt it and I do not doubt that it is a reasonable request but the way I have understood it all along is that the tenant has got to ask for the renewal of the tenancy anyway, he is obliged to, so how can the landlord ever be displeased at having a request coming to him for the renegotiation of the tenancy.

MR SPEAKER:

No, no, with respect. Even though the tenant may ask for a new tenancy it does not bind the landlord to give one, it is only when they are both agreed.

HON A T LODDO:

Yes, but they can still be taken to Court.

MR SPEAKER:

That is right and therefore this amendment would not apply.

HON A T LODDO:

Anyway, Mr Chairman, I think that really what I would like to do is to register my protest at this happening again.

HON CHIEF MINISTER:

My Learned Colleague Mr Perez has another point which he wishes to raise. This is not an attempt to get anything through other than through a reasonably wide consensus and I would like him to express his view on this.

HON J B PEREZ:

The point I have is that in fact if this particular amendment is passed it may endanger a certain number of tenants who have stuck to the moratorium, they have received a notice to quit in which the landlord has said: "I would not oppose an application being made for a new tenancy", and the tenant on the advice of presumably, his solicitor has said: "Well, don't bother to apply we will just stick to the moratorium". If we pass this amendment that tenant could find himself out in the street and I think therefore that this amendment should not in fact be passed. I think the danger is there. The other point I have to make is that in any event since it is quite clear that the Committee will be ready in the very near future, I doubt whether just two months will be of any help to the Property Owners Association.

HON A T LODDO:

Mr Chairman, I have to agree with my colleague on the other side.

HON CHIEF MINISTER:

Perhaps we might get on with some other business and try and have some consultation on this.

HON P J ISOLA:

I think that would be helpful, Mr Chairman, and perhaps the Clause could be left a while because certainly I take the point of the Hon Mr Perez. He is in the Select Committee but we are at a disadvantage in that I do not know what they are going to recommend.

MR SPEAKER:

We will leave this Bill, we are still in Committee, there are other Bills to be considered and then we will come back to this one.

THE COMPANIES (TAXATION AND CONCESSIONS) BILL, 1983

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

Clause 3

HON ATTORNEY-GENERAL:

Mr Chairman, I move the following amendment to Clause 3; to delete paragraph (f) which is on page 43, and to substitute the following paragraph: "(f) The company where it is registered under Part 9 of the Companies Ordinance, is not of a class for the time being prescribed for the purposes of this paragraph". Mr Chairman, the Bill as it stands in Clause 3 has the effect of rendering insurance companies and any other class of company for the time being prescribed as being not eligible for qualification as exempt companies and there are reasons which I think the Hon Financial and Development Secretary may wish to speak to which if I can touch on briefly are as follows. Assurance legislation is under review and until such time as it has been reviewed we wish to be able to control the granting of exemptions to insurance companies and we do not think for technical legal reasons it would be sufficient simply to leave it to the absolute discretion expressed in Clause 5 which the Financial and Development Secretary has when he is granting exemption certificates because I think as the legal Members of the House will be aware, even words so seemingly wide as absolute discretion are words which can be subject to review by the Court and I am sure we would not want to be in the position of being subject to any such review. The Finance Centre representatives made representations on this to the effect that it would be undesirable to specifically refer to insurance companies and indeed their proposals to us were originally that this whole paragraph should go but for the reasons I have given we cannot support its going in its entirety. We are prepared to move amendments which would then on the face of the Bill simply show that there could be classes of companies which would not be eligible for exempt status and we can detail a little further, I think again the Hon Financial and Development Secretary may wish to confirm this but if there were no need to make such rules in the meantime we would not do so, we would see how the situation develops, we would not make rules unnecessarily. I have spoken to a representative of the Finance Centre Group who says that he has no difficulty with this and accordingly, Sir, I beg to move the amendment.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I merely wish to endorse the comments made by the Hon and Learned Attorney-General. I think there is also another advantage in the amendment which he did not mention and that is that of course if we do make regulations it would be quite easy to change them whereas if this stood as in the Bill we would need to have an amending Bill later on which would be a slightly clumsier arrangement.

HON ATTORNEY-GENERAL:

Sir, there is one other point I would like to say. If it became necessary to make rules excluding, for example, insurance companies, I should make it quite clear that because of another amendment which I will be proposing later on in the Bill, that would not undo exempt status already acquired by an existing insurance company which was registered. They would not in any sense be retrospective rules, once one acquired the status the fact that the Government changed its policy would not affect that status.

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

Clauses 4 and 5 were agreed to and stood part of the Bill.

Clause 6

HON ATTORNEY-GENERAL:

Mr Chairman, I move that Clause 6(d) be amended by inserting after the words "under Section 3" the words "under other than paragraph (f)". This is the consequential amendment I referred to earlier. The intention is that the making of a rule saying that such and such a class of company is not eligible for exempt companies status would not undo the status already acquired by a company of that class if the status were acquired before the rule.

Mr Speaker then put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 6, as amended, was agreed to and stood part of the Bill.

Clause 7

HON ATTORNEY-GENERAL:

I beg to move, Mr Chairman, that Clause 7(1) in sub-paragraph (ii) at the top of page 45, be amended by omitting the words "from persons who have no legal or beneficial interest in the shares of the company" and substituting the words "from the public or from any section of the public".

MR SPEAKER:

I would suggest, if I may interrupt, that you move your further amendment to this clause. There is no reason why you should not do them together.

HON ATTORNEY-GENERAL:

Thank you, Mr Chairman. And further amend it by in the same subsection, that is subsection (1), by adding after the words "in any particular case so directs" the words "where he is apprehensive that a person has acquired or is about to acquire an interest, being a person who would not have been acceptable to the Financial and Development Secretary as a shareholder on the application by the company under Section 4 for registration as an exempt company". Mr Chairman, if I can speak to the amendments.

MR SPEAKER:

Yes, most certainly.

HON ATTORNEY-GENERAL:

This Clause of the Bill, Clause 7, deals with the restrictions on transfers of shareholders of exempt companies and the part of that clause which we are now concerned with deals with cases where one need not obtain consent to a transfer. One of the cases in which one need not obtain consent of the transfer as intended to be the case where an exempt company is not taking in public funds from third parties. The way the Bill is expressed at the moment the expression is as you will see in sub-paragraph 4(ii), that they may not accept deposits of money or other assets from persons who have no legal or beneficial interest in the shares of the company. On representations by the Finance Group it was brought to our attention that for technical reasons that could catch transactions which do not in any sense involve third parties, that could involve family but not third parties. What we are concerned to achieve is not to grant this derogation from the requirement for approval of a share transfer to companies who are dealing with the public, are raising money from the public, companies such as insurance companies or finance companies and so the words

that I am proposing in paragraph (ii) would therefore be from the public or any section of the public which is a phrase which is used elsewhere and has a clear meaning and would meet the point of the Finance Centre Group. So far as the second amendment is concerned, Mr Chairman, although I have said that this part of the clause deals with circumstances in which you do not need to obtain the consent of the Financial and Development Secretary before you transfer a share, that is subject to an exception and the exception is in a case where the Financial and Development Secretary thinks there is a particular need to vet, as it were, the transaction. The Finance Group did not like this, they thought it was too wide and the amendment they proposed as you will see from the text is narrower, there has to be a basis on which the Financial and Development Secretary would intervene, as it were, and exercise his power and the basis is really spelt out more fully and that is where he is concerned that the transfer may involve somebody who, if that person had originally been a shareholder, would have resulted in a situation where the Financial and Development Secretary refused the application for an exempt company.

Mr Speaker put the question in the terms of the Hon the Attorney-General's amendments which was resolved in the affirmative and Clause 7, as amended, was agreed to and stood part of the Bill.

Clauses 8 and 9 were agreed to and stood part of the Bill.

Clause 10

HON ATTORNEY-GENERAL:

Mr Chairman, I move that Clause 10(1) be amended by omitting the word "everyone" which is in the first part, second line, and substituting the words "every year".

Mr Speaker put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 10, as amended, was agreed to and stood part of the Bill.

Clauses 11 to 19 were agreed to and stood part of the Bill.

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

THE PENSIONS (AMENDMENT) BILL, 1983

Clauses 1 to 3 were agreed to and stood part of the Bill.

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



THE SUPPLEMENTARY APPROPRIATION (1982/83) (NO 2) BILL, 1983

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

Schedule

Schedule of Supplementary Estimates Consolidated Fund (No 5 of 1982/83).

Item 1, Head 5 - Fire Service was agreed to.

Item 2, Head 8 - Housing

HON W T SCOTT:

Mr Chairman, in meeting the cost of meter calls, and in fact it appears on several other subheads throughout the Schedule, I presume that regard has been taken to the reduction in rental charges?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes.

Item 2, Head 8 - Housing, was agreed to.

Item 3, Head 10 - Judicial (1) Supreme Court, was agreed to.

Item 4, Head 12 - Lands and Surveys

HON P J ISOLA:

Could I ask on this one, can we be told something about this additional post?

HON A J CANEPA:

Sir, this is a post at the level of Higher Executive Officer. He spends, I would say, roughly half the time as my Personal Assistant and additionally he is the Secretary of the Land Board and assists generally within Lands and Surveys. I am sure the Hon Member will agree that that is a Department which has from time to time come under some criticism with respect to its ability to process matters connected with development. There was a requirement if not for a full post certainly for part of a post and together with the fact that he is my Personal Assistant on development and on trade matters as well in that if I have meetings with the Chamber of Commerce and minutes have to be taken it is my Personal Assistant who takes the minutes. All those factors together, following a staff inspection, led to the Government taking the view that the creation of this post was justified. As I said, it is at the level of Higher Executive Officer.

Item 4, Head 12 - Lands and Surveys, was agreed to.

Item 5, Head 13 - Law Officers, was agreed to.

Item 6, Head 14 - Medical and Public Health

HON W T SCOTT:

Mr Chairman, I think it is a welcome opportunity for me to ask the Government to explain the difference between the item that appears here under specialised treatment of patients outside Government Hospitals, the difference between that and the sponsored patients element that appears under the DLSS vote, the criteria.

HON J B PEREZ:

It is not a question of criteria. What appears under the Medical and Public Health vote is the actual medical expenses whilst the expenses appearing under the Department of Labour and Social Security reflect the air passages and the maintenance which is given when appropriate to the patient and to an escort but this only reflects the medical expenses.

Item 6, Head 14 - Medical and Public Health, was agreed to.

Item 7, Head 15 - Police, was agreed to.

Item 8, Head 19 - Public Works

HON W T SCOTT:

Mr Chairman, could I have an explanation on this because the amount seems to be rather large?

HON M K FEATHERSTONE:

I assume you are referring to Unallocated Stores. The situation is that stores are ordered at the requisite time and sometimes they do not arrive for six to nine months after ordering, occasionally even longer. When they get into the stores they are of course not used up immediately with the result that you get over a period of a number of years some years in which the unallocated stores are considerably higher than other years. This seems to go in a cycle. I believe last year we put in the estimates £20,000 and we only used up £4,000 of it, that happened to be one of the years in which many of the goods which were ordered did not arrive. This year many of the goods ordered last year in anticipation of being used for works all turned up and of course the works did not proceed as rapidly so the goods have remained in store. It is not basically an un-economic exercise insofar as those goods, most of which have a continuing value, are there for the future. If they were bought in a future year they would cost us more so to some extent we are gaining on the deal.

HON W T SCOTT:

I totally accept that point, Mr Chairman, but at the time of ordering, surely, whether it is through tender or through direct purchases there is an indication given on delivery dates and I agree that sometimes they are not met but whether the delivery date is six weeks or twenty-six weeks there is an indication at the outset.

HON M K FEATHERSTONE:

Yes, Sir, we normally get delivery dates offered to us ranging from four to six months but unfortunately we then get letters saying that "we regret etc, etc" and it can sometimes run to as long as fifteen months.

Item 8, Head 19 - Public Works, was agreed to.

Item 9, Head 21 - Recreation and Sport

HON A T LODDO:

Mr Chairman, the increase here is in the region of just over 50%. Obviously the electricity and water charges have not gone up by that much, to what do we owe the increased consumption?

HON H J ZAMMITT:

The first thing, Mr Chairman, was that we had estimated there would be less use at the Stadium on estimates prepared last year and therefore we underestimated the consumption and, secondly, there has been much more consumption particularly in water than we anticipated and water is a very expensive commodity as the Hon Member well knows.

HON A T LODDO:

Mr Chairman, the consumption of this water in showers, presumably?

HON H J ZAMMITT:

Mainly in showers.

Item 9, Head 21 - Recreation and Sport, was agreed to.

Item 10, Head 22 - Secretariat, was agreed to.

Item 11, Head 24 - (1) Tourist Office Main Office, was agreed to.

Item 12, Head 28(N) - Contribution to Funded Services

HON W T SCOTT:

Mr Chairman, might I ask on Subhead 1, the interest charges which are stated there as being underestimated, might I ask the interest charges on what?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is the Waterport Power Station.

HON W T SCOTT:

Interest charges on what, on the capital sum?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On the capital sum, yes. We borrowed £7m to pay for it and we draw down as and when a consultant signs a certificate that an amount of money has been paid, a bond is drawn out and paid and from that day interest charges begin.

HON W T SCOTT:

Because I seem to recall a figure, I think in the approved estimates it was given as something like £980,000 at the beginning of the financial year. What is the value of the interest charges?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The value or the amount?

HON W T SCOTT:

The amount.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

£180,000 increase.

HON G T RESTANO:

Mr Chairman, we were told yesterday that the Power Station is costing us now £16,000 a week. This is not reflected anywhere in the supplementary. Where would they be paid from?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Until the Power Station is taken over completely on completion of the contract, it is being paid for as part of the project, under the I & D Fund.

Schedule of Supplementary Estimates Consolidated Fund (No 5 of 1982/83) was agreed to.

Improvement and Development Fund Schedule of Supplementary Estimates (No 5 of 1982/83) was agreed to.

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

Clauses 2 to 4 were agreed to and stood part of the Bill.

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

MR SPEAKER:

Well, gentlemen, we have come to the stage when we are still in Committee and the only Bill that we have to complete is the Landlord and Tenant. Are we in a position to proceed?

HON CHIEF MINISTER:

I think perhaps there should be a short recess to see whether we can agree on this and then adjourn and come back and dispose of the Third Reading and the rest. With regard to the remainder of the business, I have had a word with the Hon Mr Bossano and he is agreeable to leaving his motion until the next meeting, I want to discuss the matter further with him.

MR SPEAKER:

Are we going to adjourn sine die or to a specific date?

HON CHIEF MINISTER:

No, we are going to adjourn to the 18th of April for the Budget and there may be some small business that we may have to transact at the end of the Budget. I have asked Mr Bossano not to proceed with the motion because I want to draw his attention to a number of factors and he has been kind enough to accede. So, really, we have only the two motions in the Order Paper in the name of the Leader of the Opposition.

MR SPEAKER:

Very well, we will then now recess for approximately twenty minutes.

The House recessed.

The House resumed.

MR SPEAKER:

I must apologise for interrupting coffee time for some Members because I did say it was going to be twenty minutes.

HON ATTORNEY-GENERAL:

Mr Chairman, we will withdraw the amendment on the Landlord and Tenant.

MR SPEAKER:

Since we did propose the amendment, has the Hon and Learned Attorney-General the leave of the House to withdraw his amendment?

Leave was granted and the amendment was accordingly withdrawn.

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

#### THIRD READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Licensing and Fees (Amendment) Bill, 1983; the Law Revision (Miscellaneous Amendments) Bill, 1983; the Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) Bill, 1983; the Companies (Taxation and Concessions) Bill, 1983; the Pensions (Amendment) Bill, 1983, and the Supplementary Appropriation (1982/83) (No 2) Bill, 1983, have been considered in Committee and agreed to. In the case of the Licensing and Fees (Amendment) Bill, 1983; the Law Revision (Miscellaneous Amendments) Bill, 1983, and the Companies (Taxation and Concessions) Bill, 1983, with amendments, and in the case of the other Bills without amendment and I now move that they be read a third time and passed.

Mr Speaker put the question and on a vote being taken on the Law Revision (Miscellaneous Amendments) Bill, 1983; the Traffic (Amendment) (No 2) Bill, 1983; the Landlord and Tenant (Temporary Requirements as to Notice) (Amendment) Bill, 1983; the Companies (Taxation and Concessions) Bill, 1983; the Pensions (Amendment) Bill, 1983, and the Supplementary Appropriation (1982/83) (No 2) Bill, 1983, the question was resolved in the affirmative.

On a vote being taken on the Licensing and Fees (Amendment) Bill, 1983, 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 A T Loddó  
The Hon G T Restano  
The Hon W T Scott  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon D Hull  
The Hon R J Wallace

The following Hon Member voted against:

The Hon J Bossano

The following Hon Members abstained:

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

The Bills were read a third time and passed.

The House recessed at 12.15 pm.

The House resumed at 3.20 pm.

#### PRIVATE MEMBERS' MOTIONS

HON P J ISOLA:

Mr Speaker, I have the honour to move the motion standing in my name: "This House considers that in the current negotiations taking place with the preferred commercial operator and the Gibraltar Government, it should be specifically stipulated that the operator may only operate within the yard and that its activities should be limited to those of a commercial ship repair yard and that accordingly

the operator should not have facilities for operating in the contracting business outside the Dockyard or act as ship agents or any of the activities presently covered in the private sector and this House further considers that the viability of the commercial repair yard should not be dependent on the elimination of businesses in the private sector in Gibraltar with the consequent loss of jobs and enterprises". I apologise, Mr Speaker, to the House for the length of the motion but I think it does contain the matters in which we feel the House should express its view. Mr Speaker, may I preface this motion by the words that of course it is the policy of this House and indeed it is the policy of my party that the Naval Dockyard should, if possible, remain open and that that is undoubtedly the first preference of everybody in this House. However, the facts of life are that negotiations are taking place in relation to the commercialisation of the Dockyard, that in actual fact redundancy notices may be given to people working in the Naval Dockyard and that at the end of the year or some such other time, we may find ourselves with a commercial operation, we may find ourselves having to accept a commercial operation in the Dockyard and I think we would be foolish if we did not address ourselves to the manner in which that commercial yard could as a commercial operation in fact disrupt the rest of the economy in order to keep itself alive and that must be a matter of great concern to the House. We have a Naval Dockyard in Gibraltar and as is well known it takes no work from outside, usually, except at prohibitive cost and expense. It operates within the Ministry of Defence area, or Ministry of Defence context, and therefore it does not interfere in any way, really, with the working of the economy outside the Dockyard and that of course is of great benefit to Gibraltar and to the economy. But if the Dockyard becomes commercial, Mr Speaker, then it would become part of the private sector and by definition it would probably become the single largest part of the private sector in Gibraltar and this could create serious problems. When the Government considered with the advice of its experts who should be selected as the preferred operator, it is quite obvious to us who attended the briefing by these experts consultants who gave their reasons why they had recommended Appledore as the preferred commercial operators, that one of the reasons that weighed most heavily in suggesting them was the fact that they projected employment initially for some 700 or 800 workers rising, hopefully, if the Dockyard or the commercial operation was a success, rising hopefully to 1,300 or 1,400 which in fact meant that they were hopeful that with a successful commercial operation they would in fact rise to a higher figure of employment than they had currently in the Naval Dockyard. That carrot, if I may call it that, was one that presumably was very attractive to the Gibraltar Government and which could be expected to be very attractive to the Dockyard labour force although it does not prove to be so, but I think that those two factors, or that factor, was a very important consideration in the minds of the consultants, the Gibraltar Government, and I am sure the British Government in selecting

Appledore as the preferred operator. I must pause here a minute, Mr Speaker, and speak with some concern of what I read in a local newspaper recently and that was to the effect that Appledore on day one would in fact be employing only 300 and I think it also said that if everything went, well they would go up to 700. I always carry my Gibraltar Chronicle with me. It says: "The firm will be employing some 300 workers on Day 1 and if everything has gone smoothly the number of employees would have been doubled or more with anything from 700 to 800 men by mid-year". That is a bit worrying because if that is correct, and I hope this is also an inaccurate report, it would make us very happy to see that it was an inaccurate report, but there the warning seems to have come that it goes up to 700 or 800 by mid-year, if everything goes smoothly. If it does not go smoothly it looks as if it is only 300 and that is something that is outside the ambit of this motion, Mr Speaker, but that is something that I hope that somebody on the Government side will be able to explain when speaking on the motion because that is worrying because the main consideration for making this company the preferred operator was its projected job employment or projected employment figures, this particular statement if correct puts in doubt the wisdom of the choice because other operators that we were given as we know had perhaps projected less number of workers and one may wonder, whether having result of that particular statement, whether they were not more realistic than the preferred operator but this is something that I am sure, in time, we shall hear about. But the thought occurs, Mr Speaker, that if there is a commitment on the part of the preferred operator, if there is a commitment or an obligation to employ 700 or 800 initially or at the beginning that that preferred operator could turn to the Gibraltar Government or could turn to the British Government or whatever and say: "Well, in order to enable me to continue employing 700 or 800 people I must be able to do things in that commercial Dockyard to be able to keep these jobs going" and, you know, things come to mind. If I have got 100 men in the Dockyard in the construction side of the Dockyard and I have got nothing for them to do, why shouldn't I do some contracting work outside the Dockyard? Similarly, in electrics, similarly in any general contracting, in any of the contracting businesses that exist in Gibraltar and the Government might be reluctant not to allow them to do this because if they do not allow them they might say: "Well, then we cannot maintain the labour force at 700 or at 800". But it is not much use, I am sure Hon Members will agree, that it is not much use allowing them to do everything they want there at the risk of losing 200 jobs outside the Dockyard and that is something that we feel in the current negotiations about which of course we are not informed, that is something that should be taken serious account of in the current negotiations. In other words, it should be made clear, in our view, to the preferred commercial operator of what he can do or what his viability must

depend and on that exclusively. And it must be made clear to that company that they will not be allowed to act or work outside the Dockyard in any of the activities that are presently covered by the private sector outside the Dockyard. And there are many small businesses even something like upholstery, a small upholstery business could be put out of business to go to these sort of extremes. It is no good to the economy to have a commercial Dockyard working which relies on its viability in taking over the rest of the private sector in Gibraltar. In other words, we do not want in Gibraltar, Mr Speaker, the Falkland Islands Trading Company, we do not want in Gibraltar a company operating the Dockyard which takes over the rest of the activity in the economy, the rest of the private sector. That would not be good for the economy and would, in fact, not do what it is intended to do, it would not substitute the Naval Dockyard, it would be taking over not only the Naval Dockyard but the rest of the private sector with only 700 jobs and affecting jobs outside the Dockyard. Mr Speaker, I think there are areas in which it is very easy to exclude the commercial yard, outside contracting within the town. In general contracting business, in electrical business, in engineering and so forth, no private work outside their Dockyard. They are there to operate a commercial yard and they must show that they can operate a commercial yard and make it viable within those parameters. They must not keep jobs going in the Dockyard by doing little jobs of work outside the Dockyard, taking work in from outside the Dockyard because don't forget, Mr Speaker, that the area that is being allocated to them in the Dockyard is very substantial and it is not only substantial but very heavily subsidised because the British Government is putting money in and it would be very easy for them, for example, to store stocks of any sort of building materials, any kind of materials in the Dockyard area, much more so than ordinary contractors or small firms. The thrust of this motion is that the preferred operator should be left in no doubt now, today, that he must make a commercial ship repair operation viable and that he must not subsidise its viability by going into areas in the private sector that are already covered by the private sector. Mr Speaker, it is easy in some areas but there are what I would call grey areas and the grey areas, of course, I think are quite obvious. For example, if they go into commercial ship repair there is a commercial ship repair yard, a small one, already in Gibraltar and obviously there is a clash. I believe someone said that as far as the existing commercial ship repair yard was concerned, I think the consultants told us that negotiations should take place in relation to compensating them or I am not sure what is being done there, but that is not a grey area, that of course is a direct clash, an additional ship repair operation being done by a company heavily subsidised with heavily subsidised land, docks and so forth and that I think is an issue that really has to be tackled on its own. But there are other areas, Mr Speaker, which one could perhaps consider grey areas and I



have been told and I am sure this is true, that the commercial operators intend to do a lot of sub-contracting. This may be so but again the problem should be safe and I hope the negotiations cover this. It is all very well at the moment for the operators to say: "Oh yes, we are going to give a lot of sub-contracting work, we are not interested in this, we are not interested in that and so forth". But when the time comes, when the crunch comes, I wonder whether that is what will in fact occur. I wonder whether the commercial yard will say: "Oh, no I have got a labour force of 700 and I have got to keep them busy and therefore I will do as much work as I can myself and the sub-contracting will be a very minor part of my operation". It may not be that way, one would hope it is not that way, but what I would hope here that we can get assurances from the Government that in assessing the commercial viability of the naval yard, the Government will ensure that the commercial operator is restricted in the areas in which it is going to be able to operate and the commercial operator will then be able to prove to the Government and to the British Government that within those parameters they can make a commercial ship repair yard. Mr Speaker, I spoke of one commercial ship repair yard as probably the biggest ship repair yard in Gibraltar but another area where I think the Government should tread warily in the negotiations with the commercial operator and try and get protection or try and get a restriction of some sort or some sort of agreement is of course on the yachts side, the yacht repairers. I think I have read in some newspaper that they look at that area as a very interesting area for the commercial yard. Again, Mr Speaker, I can think of about three small yacht repair yards in Gibraltar. They are not subsidised, they pay their rent, they have to pay the workforce and so forth. Are they going to be eliminated in one swoop, in one clean swoop? If the yacht repair market is good is there not room for everybody and if there is room for everybody should there not be some provision within the commercial operation to give some protection in that area? Another area that comes to mind, Mr Speaker, because the real ship repair area and the working of ships in the bay or in the Dockyard I agree are grey areas because the commercial ship repairer can turn round and say: "Look here, I am doing a commercial ship repair operation. If I am not going to be allowed to repair ships, what am I here for?" I understand the force of that argument and I recognise it but I think within the argument, and having regard to the little industry that we have already there, in the negotiations due regard should be had for businesses or people who operate today within the Port. And I am not talking of just ship repairers, of yacht repairers, I am also talking of people who do work in the bay to ships whether it is electrical or whatever they do to ships, I am not very knowledgeable on this, but I know that ships do come into Gibraltar and they get repaired and there are a lot of people who earn their livelihood, there are a lot of people who have employment through that. And, again,

I think in the negotiations with the preferred commercial operator, these points should be made clear and as many safeguards as possible written into the agreement so that the operation of the commercial yard is not made successful at the expense of a lot of other people and a lot of other jobs outside the yard. It is bad enough, Mr Speaker, and I recognise the difficulty, it is bad enough making a commercial ship repair in the present time, making it successful without putting constraints on it but I think there has to be a number of constraints put on. Viability has to be looked at with these constraints put on because otherwise in getting jobs for 700 we may be losing jobs for 200 or even 300 outside the Dockyard in the private sector especially if it is allowed to extend freely into contracting. Another one is shipping agencies, Mr Speaker, all the gentlemen in Irish Town. There are a few companies there in shipping agents who employ a lot of people. I do not think it would be desirable to allow people on subsidised land, with subsidised buildings to say: "Well, look, it is all right, you send your ships to Gibraltar and we will act as your agents as well", and taking over that side of business, and ship chandling, another thing. They have got storage area in that yard. They have got a lot of storage area and it is a very nice operation, I repair a ship, I supply it and I am the agent of it. Normally, one would not object with that operation, I suppose, except for the fact that in doing that you are eliminating a section of the private sector on whom a lot of jobs depend and a lot of enterprises depend and a lot of people live off. We think that these are matters on which we would like to have, Mr Speaker, assurances because we can see the problem arising that the preferred operator having possibly stuck his neck out a bit on the number of jobs that he is going to provide in the yard, is going to have to keep those jobs going at the expense of the jobs outside the yard, at the expense of businesses outside the yard. Mr Speaker, as you are aware, on this side of the House we are not in on the negotiations. We, like the Hon Mr Bossano, have been seeking information about it. I may have a little more information than the Hon Mr Bossano because I have got a report that he hasn't got, for example. But on the other hand Mr Bossano has far more information than I have because he is at ground level, he gets to know it all through other means, unofficially, so he may know a lot more about it. We have tried to find out as much as we can. We did in fact ask one of the companies that had we thought, a very attractive proposal for the yard, we did ask them to show us what they had put up to the experts and they did and I must say we found it very, very interesting and we thought that it was good. But it is not for us to decide who gets the yard or who is the preferred operator, I think that is a matter for the experts to decide and for the Government of the day. We are not. That is up to the Government. But our curiosity, let me put it that way, was sufficiently aroused and we have in fact written to Appledore and asked them if they would like to show us the proposals they have put to the experts,

to the consultants, so that we could examine them and understand them. There are no ulterior motives, we would just like to know to make a judgement and it would be very interesting to have that in the context of this motion because it would be interesting to see how Messrs Appledore, in fact, hope to run the commercial operation. They have not said that, anyway, in their proposals. But as long as they hope to do it on the basis of a commercial ship repair yard fullstop, that is fine, but it is the wrong word to use, Mr Speaker, but it does describe it rather well, if its tentacles are going to be allowed to spread then we do not think it is such a good thing and I hope we can have assurances on this. As I said, we have seen one of the operators proposals and we would like to see the Appledore proposals. We have also seen proposals, irrelevant, Mr Speaker, in fact to this motion, but I think we ought to say, with regard to the solar breeder factory, which we were interested in and we know that is being processed but, again, just talking about that for a moment, it is relevant within this context and that is that where that particular factory, or wherever he wanted to put it, if I remember rightly, is in the Dutch Magazine. The thought occurs to me, Mr Speaker, that certainly that area, for example, should not be allocated to the preferred commercial operator to enable him to carry out business outside the yard in competition with the private sector and other businesses and that area, for example, should be left out of the commercial yard, certainly whilst the Government is considering the other activity which is viable and feasible obviously is attractive in terms of jobs. But, Mr Speaker, coming back to my particular motion. The main purpose of this motion, and I am sure the Hon Members now understand what we say about it, the main purpose is, if the Naval Dockyard is in fact to close, negotiations are going on today, let us not in our enthusiasm or in our desire to keep the Naval Dockyard open, let us not allow a deal to be negotiated with the preferred operator which is based on the premise of a certain number of jobs and which can only then be made viable by poaching in a big way from the private sector or getting further in a grey area, the grey areas I have mentioned, which are really in the areas of sub-contracting presently done already in the bay, in ship repair, in yacht repair and so forth presently done in the bay to make it viable on that basis. I think the Government, as it is handing over a heavily subsidised area, subsidised by the British Government, in buildings, docks and so forth and in the programme required to put it in good working order, that there should be safeguards in all those negotiations in giving these people this, there should be safeguards for the private sector as it is today. I hope that the Government can agree with the terms of the motion and give me the answers to the questions that I have posed and the assurances that we seek. I commend the motion to the House.

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

HON J BOSSANO:

Mr Speaker, I would not normally speak at this point in time after the mover of the motion, I would wait to hear what the Government has to say, but I have in fact to be away from the House at 4 o'clock to see what the people who really matter, that is, the people who work in the Dockyard, actually think of Appledore and all the other alternatives, and I would not want to miss the opportunity of putting on record in the House how I react to the motion, how my Party reacts to this motion. I will say that I do not support the motion and I am not dismissing the opposition to the closing of the Naval Dockyard in my first few words by saying that it is the first preference of all of us and then spending a lot of time, having said that it is the first preference, talking as if that first preference had already disappeared. As far as I am concerned the first preference has not disappeared and therefore we are not in the situation today of looking at alternatives. And if that situation ever arises, Mr Speaker, I have no doubt in my mind that the determining factor of the terms of conditions upon which anybody substituting for the Naval Dockyard will operate in the Dockyard or out of the Dockyard, will be determined by the Dockyard workforce and by the Trade Union Movement. So irrespective of the motions that are put in this House of Assembly the reality of the situation is that Appledore or anybody else cannot operate unless they come to terms with the workforce that is going to work for them as to what they should be paid, and what conditions they should be employed on and what they should be employed to do, and with the Trade Union Movement. And I have no doubt at all in my mind, Mr Speaker, that if tomorrow the Dockyard workforce and the Trade Union Movement said to Appledore: "Right, we are now accepting the closure of the Dockyard and we are now prepared to sit down with you and negotiate", and they are the only negotiators that matter, I do not know what negotiations are taking place now, but I know the ones that matter are the ones that are not taking place now and that may never take place, then, Mr Speaker, I have no doubt at all that the situation would be that the Government or this House of Assembly would be told by the British Government: "If Appledore says they have to be allowed to do A, B and C otherwise they are out and if they are out there is no £40m", then A, B and C would be accepted like the change in the frontier closing hours was accepted. But let us be realistic. Let us know who has got the bargaining power and who has got the strength in this situation irrespective of what we say here and irrespective of how many motions we put here, if nobody is prepared to work for Appledore it does not make any difference what is agreed or negotiated, Appledore will not open its doors. If the Trade Union Movement black every

single thing that has Appledore's name on it, Appledore will never get past the Waterport to the Airport, Mr Speaker. Therefore in terms of saying that this motion is protecting the interests of the private sector, this motion cannot do that because we are not in a position to offer protection to anybody. The situation today, and possibly after 4 o'clock today, is that the Dockyard workforce is determined to fight the Dockyard closure and is not interested in commercialisation or interested in Appledore, or interested in bargaining with Appledore, and if that situation continues to be the case after 4 o'clock today, Mr Speaker, then irrespective of whether the motion is carried or defeated, the Dockyard workforce will start taking industrial action in their fight to keep the Dockyard open and whatever negotiations are taking place with Appledore and ODA and anybody else is totally irrelevant to the situation. The real negotiations will take place when and if the workers in the Dockyard, and I think they are the people who matter because if we are talking about jobs they are the ones who are under threat of redundancy. If we are talking about offers of employment they are the ones who are going to be offered employment and they are the ones who are going to decide what is acceptable to them, nobody else is going to decide for them. The rest of the population are not going to decide, the executive of the unions are not going to decide and the fifteen Members of this House are not going to decide. It is the people who are going to be sacked who are going to decide whether they fight the sack and whether they accept the alternatives and on what conditions they accept the alternatives. That is the reality of the situation, Mr Speaker. Therefore, as far as I am concerned, as far as the GSLP is concerned, there are two fundamental issues. One is that we give full unconditional political backing to the Dockyard workforce and to the Trade Union Movement in its fight against the closure. Secondly, that if we are being told by Her Majesty's Government that their defence requirements in Gibraltar in 1983 are no longer what they have been up to now, then we are not prepared in looking at an alternative to limit ourselves to the Dockyard. We are not prepared and we do not think it is possible to seriously and honestly and scientifically consider the question of Gibraltar's long term economic viability by limiting ourselves to the bits and pieces of MOD land that is released as and when the MOD want to release it. Our position is absolutely clear-cut, we have attempted to express it as a party and I have attempted to reflect it in this House on more than one occasion and therefore, for me, that position and this motion are mutually incompatible, Mr Speaker, and I will not support it.

HON A J CANEPA:

Mr Speaker, I wish the view of the Government could be as simple and as straightforward as the view of the GSLP as expressed by the Hon Mr Bossano because then I think it would only be necessary instead of a number of Members on

this side of the House having to participate in the debate, it would only be necessary for one to say a few words for two or three minutes in an equally forthright and clear-cut fashion and sit down and that would have been the end of the matter. But for Government, of course, matters can never be as simple as that, they have to be much more complex. In general terms, Mr Speaker, we on the Government side can understand the concern expressed in the terms of the motion and, indeed, agree with much if not most of what the Hon the Leader of the Opposition has said. But I think that it is necessary also to give the Government some credit for having some element of intelligence, we may not be the most intelligent people in Gibraltar but we ought to be given some credit for having some intelligence, and also for having, I think, some concern as well to safeguard the interests of Gibraltar as a whole. If we nevertheless have to go through the exercise that we are involved now in studying as part of the project study team whether commercialisation is viable or not, we too of course would wish that it were not necessary to be involved in such a study and that the Dockyard could happily continue as it has done for decades. I think that the Leader of the Opposition though has failed in this respect. I think he has missed what is in our mind the most important point and that is that it is not the preferred operator, Appledore or what have you, who will decide on the type of activity which will be undertaken in a possibly commercialised Dockyard. It will in fact be the proposed ship repairing company which will employ the preferred operator as its manager. And this proposed ship repair company will be controlled by the Government or perhaps I should say would be controlled by the Government through the Memorandum and through the Articles of Association and the operator will carry out its activities in line with the Management Agreement. Now, Sir, the House will have an opportunity to discuss such a draft Memorandum and Articles of Association and in the Management Agreement if we do reach that later stage at an appropriate time. And perhaps before I continue further I should also point out that the term "negotiations" used in the first line of the motion, the reference to the current negotiations is not strictly accurate. The current study involves discussions, it does not involve any negotiations. Mr Isola made reference to the comments of Mr Nash as published in the Chronicle last week. I hope he took note as to how quickly the Government reacted to that. I can inform the House that the Financial and Development Secretary at the first meeting shortly thereafter, the first meeting of what I think is termed The Dockyard Consultative Committee, communicated to those present the concern of Ministers in respect of the figure of 300 persons to be employed at the beginning of the operation and I think that the Financial and Development Secretary later on in his intervention will deal with that aspect of the matter. I hope that the Hon Members, because this is rather more closely related to the motion before the House, also noted the Government views

with respect to the shifts that have been announced by Mr Nash and his unfortunate comment that it would enable the workers employed by them to take on part-time employment. My immediate reaction to that was, well, this either means that they are not going to be sufficiently well paid and therefore they will have to take on additional employment, or else he is trying to encourage them and sugar the pill of commercialisation by pointing out that they will have time to take on part-time employment, something which in my view would be detrimental to the general interests of Gibraltar. We do not want people to take on second jobs. If the Dockyard closes on the 31st of December, 1983, my guess is that there are going to be more people unemployed than what there are now and we have got to look for jobs for the unemployed, not to create second jobs for people who ought to be already sufficiently well off. This is the policy that the Government is adopting in other fields. For instance, our attitude to the question of two taxi drivers for one taxi. Our attitude is that provided it will create an additional full-time job it is something that we can look at but if it means that somebody who is working as a fireman or as a prison warder and already earning £11,000 or £12,000 is going to earn another £5,000 in a second part-time job, that is unacceptable as a fundamental policy to the Government and it is not in keeping with our view of social justice, a matter about which we feel very, very strongly. As I say, these remarks were unfortunate, I do not think that they will endear Mr Nash or Appledore to anybody and if the exercise that he was intending to carry out when he was here was a PR exercise I think that they will have to be much more careful in future not only with respect to the need not to upset those who are sceptical about the whole matter but more so those who are actively antagonistic to it because they see that their jobs and their future wellbeing and security is at stake. The terms of the motion, Mr Speaker, however, are too wide. For example, what is meant by the motion by a contracting business? Would this exclude voyage repairs which is in fact the normal activity for a ship repair company? And in this latter sense the activity of a ship repair company cannot be strictly confined within the yard physically. I think the House should consider the pattern of activity which any normal ship repair company would need to undertake to carry out its business. I am sure the House will not want to restrict the company unduly bearing in mind that a potential commercial operator can pass on by way of sub-contracting ancillary services provided that the service is adequate and that the price is right and provided that the activity is available in Gibraltar. There are examples of some activities which are not currently available in Gibraltar, for instance, those in connection with a gas plant and in connection with the running of a chain test house. These activities may have to be provided for by the operator itself in the absence of an existing undertaking within our territory. Certainly there are no proposals to rely on our neighbour across the way in this matter. It is

certainly not the intention of the Government, Mr Speaker, I can assure the House, to have a commercial ship repair yard which will eliminate existing activities but rather to build up private sector trade through sub-contracting and through the franchise of those activities which are allied to ship repair. I think I should end on this note, Mr Speaker, and that is to remind the House that in voting recently in support of a motion on the matter, the Government has committed itself not to take any decision on any future commercialisation of the Dockyard without the matter being debated in the House and all the points, all the matters that have been raised by the Hon the Leader of the Opposition will be the subject of careful study and they can all be looked at again if and when we do reach the stage that we bring to the House the proposals that will emerge from the project study currently being undertaken, and if we do reach a stage when a Memorandum and Articles of Association and the Management Agreement, that I referred to earlier, also have to be considered. It is a commitment that the Government has undertaken, we will honour this commitment and the views, generally, of the House will be very closely borne in mind by the Government not only now but on such future occasions. Thank you, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, I think I should address myself to the last speaker. He seems to some extent to have objected to the idea of the motion being brought to the House and went as far as saying that we should accept that the Government was more intelligent than we were giving credit to. Mr Speaker, I think it is the role of the Opposition to try and test the Government in every possible way and so ensure that they do not overlook certain things which might be in the interests of the people as a whole. And we know from past experience, and this Government is not the exception to the rule, that on many instances they have overlooked things and on many instances they have made blunders and some of them very big ones indeed. Therefore I would have thought that there is nothing wrong in introducing this motion which I think is very timely and which I think has brought to the attention, matters that no one as far as I can recall has given any consideration to in this House until now. We have always thought of the effect of the Dockyard, of what is going to happen to the people working in the Dockyard itself and to the effect that this will have generally in the economy but not to the extent that has been pointed out to my friend today here as to how it is going to affect established firms in Gibraltar of long standing and who to some extent, if not to a large extent, have given to Gibraltar the identity which all of us want to preserve and which could be undermined if it came very much under the control of one monolithic concern which in the end could literally rule the Government itself. Therefore I think it is in our interest that whatever company takes over the Dockyard does not in a way become a Trojan Horse which it can easily become. I know that the Chief Minister is smiling, he always does, I think, when I am scoring.

MR SPEAKER:

Let us not make personal references and let us relate ourselves to the motion. You are addressing the Chair and that is the way you should do it.

HON MAJOR R J PELIZA:

I am telling you, Mr Speaker, that the Chief Minister is smiling, he is smiling now.

MR SPEAKER:

Order.

HON MAJOR R J PELIZA:

I know that perhaps I am talking some sense because he is beginning to listen, Mr Speaker, and that is the clue to me that what I am saying is of some relevance and I think that the Government should take notice of what is being said. We are all moving in the dark in Gibraltar. Even a newspaper which to a large extent supports the Government in the last editorial said that we should have more open Government and because of this I think my friend is more than justified in bringing this motion to the House. Now we know that negotiations are not going on. The Minister for Economic Development said that only discussions are going on. Everyone, to my knowledge, thought that it was negotiations that were going on otherwise my Hon Friend would not have put it down in the motion. Why is it that we do not know, because we are not let into the secrets of the Government which for one reason or another can never disclose the information. I think that more that the fears of what the effects of the information could have on the other side of the border is the knowledge that information and knowledge is power and that power they want to retain to themselves and they do not want the other side of the House and they do not want the public in Gibraltar, generally, to know what is going on, because if they do then their position, of course, can be criticised much more than if this is all kept within four walls. I think my Hon Friend has made a very good case for the Government to give an undertaking to that respect in this House. I have a feeling that the Government is going to vote against the motion otherwise I do not think that the Minister for Economic Development would have spoken in the terms that he did. But I have a feeling that they are going to vote against the motion or at least they are going to abstain. He has not disclosed his position yet, perhaps we shall hear the Chief Minister later and maybe he will give us a clue as to the way they are going to go. Just speaking on what the Minister for Economic Development said about a ship repair yard, a ship repair company, if it does come into being being controlled by the Government. That in

itself is no assurance, Mr Speaker, because if a ship repair company is going to be controlled by the Government and if the Government is responsible eventually for the ship repair yard and things are not going as well as they should, then the Government itself to save its skin will start trying to do what they can to somehow make the company successful perhaps at the expense of other businesses here to keep people employed but which at the end of the day is not the purpose for which the company was first set up. What is the company going to be set up for? It is to replace what is called the economic base of Gibraltar or a large chunk of the economy base of Gibraltar. A business that brings money from outside Gibraltar, a form of export because it is only in that way that we can bring sufficient money into Gibraltar to keep the standards that we have today. It is on that that the company must concentrate and it is on those lines that it must operate and it is on that that the Government must give an undertaking and therefore stop spreading inwards into the economy itself which will defeat the object of the company. Even if at the end of the day the company can show good results if the good results of the company is at the expense of business already going on in Gibraltar, it is not achieving its aim which is to bring money from outside Gibraltar. That is the purpose of the company. And that I am afraid is not what the Minister for Economic Development has addressed himself to and this is what I would like to hear the Chief Minister speak about. How is the company going to bring the money into Gibraltar to stop the possibility of spreading into our own economy as the Leader of the Opposition has just said? I thought the Minister for Economic Development was very, very weak on that, in fact, almost as if he had no knowledge of what was going to happen with the company. This is the point that the Minister for Economic Development should have addressed himself to and then I would have considered him being competent at his job. But the way he addressed himself to this House, quite honestly, he was attacking the Leader of the Opposition on what I thought the very sensible points that he made than really trying to be constructive and show that in practical terms that would not happen because the company would be directing itself to new business for Gibraltar not to existing business in Gibraltar, otherwise it would be achieving nothing at all. Mr Speaker, he even dropped the hint that they might do so. He said: "for as long as the service is adequate and the price is right", which means that if there are businesses in Gibraltar which could be taken over by this company, in one form or another, because the service they are giving is not adequate or the price is not right, then it would seem that they should be entitled to creep into that kind of business. Mr Speaker, if that is not giving a hint, I do not know what it is but, believe me, if the company is going to be subsidised, if the company is going to get going by other means and if therefore it can creep in, Mr Speaker, I think that the motion brought up by my Hon Friend here is very, very relevant and I cannot



understand why the Government has felt itself to go against it, at least so far that is the impression that I have. Mr Speaker, I have really made the point and this point is, above everything that I have said, that if the company is going to establish itself here it is intended to replace the Dockyard and nothing else, the Dockyard, the money that the Dockyard was bringing in and within that context, I think, and within the context of bringing money from outside Gibraltar, the more it develops the more it will be welcomed by this side of the House. That is the message that we want to convey with this motion and the other one, Mr Speaker, is that it should not be allowed to in any way destroy the small but I think loyal businesses of Gibraltar for many years back who have given employment to Gibraltarians for a long time, who cannot by themselves take over Government or destroy what you might call the identity of the Gibraltarians which I am afraid that a big company can do so by, you might say, the tail wagging the dog which could happen, Mr Speaker, if a company becomes so strong that literally the Government depends on its income to be able to keep the place going. And, finally, Mr Speaker, I think that having said all that, I do not believe that any ship repair yard can replace the Dockyard, not so much because of its income, whatever the income may be, but because it will always be subject to interference from outside and we have experience, in fact, if we listen to the statement made by the Chief Minister earlier in this meeting where now I think he completely distrusts the Spanish Government, once upon a time he used to and now he gives me the impression that he does distrust the Spanish Government completely, if that distrust is carried to its logical conclusion . . . . .

HON CHIEF MINISTER:

Is the Hon Member saying that once upon a time I trusted the Spanish Government?

MR SPEAKER:

Well, I think that is the insinuation.

HON CHIEF MINISTER:

Well, if he says that he is talking absolute and utter rubbish.

HON MAJOR R J PERLIZI:

The Chief Minister will have an opportunity of expanding on his statement, Mr Speaker, when we speak on the other motion. I do not believe that any longer the Chief Minister has the confidence that the Spanish Government will cooperate with Gibraltar anymore, at least in the foreseeable future, as he thought in the form of opening the frontier. If that is the

case and we carry that to its logical conclusion, do we believe that in their intent in destroying our economy that they are going to allow and in fact favour us with any ship repair yards that we have here or will they do everything in their power to undermine that business? I think that they will do everything in their power to undermine it by every possible way in the form of competition or whatever and therefore, Mr Speaker, I think that in that light I would like to hear the Chief Minister speak now as to whether he feels that the Government can make it go purely and simply on our side work, bringing money from outside and not encroaching on our existing businesses in Gibraltar.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have been under the impression over the past four months that I have been consulting and probing and discussing on the possibility of a commercial ship repair facility. I certainly have not been negotiating. Proposals were received, a preferred operator was recommended and the recommendation was accepted by the British and Gibraltar Governments and then a group was put together to go and look into the entrails of this particular chicken to see what we could find there and we are digging away at the moment and it has been said by Ministers and it has been said by me that there is no commitment by the Gibraltar Government to commercialisation. And there is no commitment by HMG to commercialisation unless they are satisfied that it would be a viable operation and the whole object of the consultations which are going on at the moment is to ascertain whether that project would be viable and we are far from satisfied at the moment that it would be and we have got to satisfy ourselves that if it is viable that facility, together with other prerequisites which the Gibraltar Government would require, will plug the gap in the Gibraltar economy which will be left by the closure of the Naval Dockyard if our colleague, I will use the House collectively because I am an official not a Minister, if our colleague the Hon Mr Bossano would have us believe it is not going to close and all is going to continue. I would like to take the opportunity to explain to the House how our minds are working in terms of the consultation and in doing this I would say that I am speaking as Financial and Development Secretary, I am not speaking as a Member of the Government and I am speaking as referendum Ministers here because they have not been consulted yet. The thinking amongst the officials who will advise the Government is that the Dockyard facilities would be run by a commercial ship repair company of which in the first instance at least the Government would be the 100% shareholder because it would receive the land and assets passed over to Gibraltar by HMG. And that ship repair company would be a private company under the Companies Act and as all companies under the Companies Act would have a Memorandum of Association and Articles of Association and it is for that reason that we asked ODA to appoint for us a

lawyer specialising in maritime affairs so that we could have the best possible advice on drawing up the Memorandum and Articles of Association. In such a Memorandum it is normal to set out what is the main purpose of the company and the main purpose of the company will be ship repair. But in order to carry out that business it must be able to do other things, it must be able to employ people, it must be able to borrow money, lend money, take on work, enter into contracts and various other things. There is a pattern running over hundreds of years in the United Kingdom of the ancillary requirements for the carrying on of a ship repair company and it is those ancillary requirements that we are looking at in our discussions and certainly one would not expect a ship repair company to go into some of the activities which were mentioned by the Hon and Learned Leader of the Opposition. One would not expect them, for example, nor would it be in the Memorandum of Association that they should go into the contracting business of building buildings or whatever else we need to build in Gibraltar. But there are some areas which may be necessary for them to enter into if they cannot find the facility in Gibraltar. At the moment those facilities may be there but whether they will be there in the future one does not know and so there has got to be a provision that they will have an ability to move into a field if the facility is not otherwise available. The interface, if I can call it that, between the ship repair company and the managing agents which is at the moment suggested to be the preferred operator, would be based on an agreement, a management agreement, and the powers of the managing agents would be set out in that agreement and would be closely controlled by a board of directors and their actual activities would be controlled by a controlling officer appointed by the board and reporting to the board to ensure that the board's directives are observed and that the managing agents carry out their duties within the Management Agreement. There is a lot of work to be done on this before we finally come to the House in debate, as the Chief Minister has promised, with proposals for a ship repair facility and I think that it would be wrong of the House to tie our hands whilst I think it is right of the House to give an indication of its thinking and why its thinking goes in a certain direction. For that reason I welcome this debate because it gives me an insight into the thinking of the House on certain aspects. There are one or two points that came up in the discussion which I would like to touch on fairly lightly because I think that they are important. First of all, it was said that employment was the main reason for choosing Appledore. I do not think that it was the main reason, there were other important criteria, the capital investment programme, the localisation of management, their training proposals, their marketing appraisal, their proposed use of the land and their proposals for a naval work programme. But I agree that APA in their proposals put in a starting figure of 700 and I was no less shaken than were other Members of this House and Ministers when I was told

that the starting figure would be 300 and as indicated by the Minister for Economic Development and Trade, at my last meeting with them I did not ask for an explanation I gave a direction that I wanted to know why the figure had dropped and what steps were going to be taken to ensure that the original figure of 700 would be kept to. The APA proposals projecting employment from 700 to 1,400 did not assume the taking in of work other than activities in ship repair and associated areas. For example, it did assume taking in some major ship repair activities and I know from the discussions which we have had that they are looking at major ship repair activities and the bringing in as sub-contractors of companies who are already working in this field in Gibraltar. I think that what we have got to do, I know that the feeling of the House and the thrust of the motion at the last meeting here was that we should go back to the United Kingdom and seek agreement for the closure not to take place and for the Naval Dockyard to continue, that I accept. Meanwhile we have got to go ahead working on contingency planning against the closure of the Dockyard. Not to do so would be wrong in my view, a view that possibly is not shared by the Hon Mr Bossano but I think it would be wrong for the Government not to make contingency planning. I think that in our contingency planning and in our thinking as a House of Assembly, generally, and Gibraltar as a generality, in our thinking about the future and the economy of the future, we must not look to an ossification of the present economic structure. We must look to a development of the economy and the chances for the development of the economy that a commercial ship repair facility could bring to Gibraltar. Not a development that would mean knocking out small businesses but one of developing small businesses, of developing new small businesses, of a diversification outwards. We have got to be positive in our thinking and not negative and I hope that we can do this generally as a House, not as Government and as Opposition, but as people who are really working for the economic benefit and development of Gibraltar. Thank you, Mr Speaker.

HON A J HAYNES:

With all due respect to the Financial and Development Secretary, you cannot get four elephants into a Mini and to make my meaning clear, Mr Speaker, however much you try and legislate in your Articles of Association to govern the behaviour and approach of a company, if they cannot meet with the requirements then there is nothing you can do about it. You can say they are going to put two elephants in the front and two elephants in the back but they will not fit, Mr Speaker, and it is on this basis that we have fears as regards the present preferred operator. Our fears, as expressed by the Gallant Major Peliza and the Leader of the Opposition, regard the prospect of poaching in the private sector by the preferred operator as the only way in which he will be able to comply and fulfil his manning level requirements. Though I appreciate the Financial and Development

Secretary's hopes for a boom in the economy, I do not think that there are a great deal of prospects for this and as such, Sir, I do not believe that the Articles of Association will be sufficient to ensure that the preferred operator does not have to lay off men or interfere with the private sector. I am afraid that the Articles of Association cannot prevent them from so doing. And it is this qualm we have as to the amount of people whom we can reasonably expect to be employed in a commercial venture that has led to the putting down of this motion. And, again, I do share the Government's view on this that we cannot take the views proposed by our absent colleague, Mr Bossano, to the effect that he is not going to consider anything other than a continuation of the Naval Base, we feel that we must look ahead to every eventuality and plan as best we can for any contingency. And if our information to the effect that the preferred operator have inflated their estimates as to manning level requirements either through optimism or for any other reason, then the cost to Gibraltar of their miscalculations is either redundancy at the commercial yard or a take-over of the private sector. And it is this take-over of the private sector that has been outlined by the Gallant Major which will resemble to some extent the Falkland Island Company of Gibraltar. Government, in order to prevent redundancies at the yard will have to accede to a request by the commercial operator to keep their men employed by doing work which is presently done by local enterprises and the result of this, Mr Speaker, will be the destruction of the private sector which in many cases has been in Gibraltar, has been participating in Gibraltar's political and social struggle for over a century. It would be just too easy for the commercial operator which has the capital backing of the United Kingdom which has got all the underwriting facilities, which has got all the money it needs to undercut any one company in the private sector today. It would be too easy for them to rub out those hazy lines in commercial ship repair yards which includes the shipchandlers, the yacht repairers, the ship agencies, and it goes into the construction side which is furniture repair, furniture construction, upholstery, joinery. Mr Speaker, we really could have a Falklands Island Company for Gibraltar. And if there is any foundation in these fears perhaps we should be looking again, we should reconsider which of the applicants should be the preferred operator. We have another applicant, Mr Speaker, whose manning levels requirements are not so high, perhaps those manning level requirements are realistic. That same operator has a long history of association with Gibraltar and never have they poached into other spheres in the private sector of Gibraltar. It would not be difficult therefore, Mr Speaker, to either expect or to negotiate to ensure that that operator would not undercut other enterprises. As I said, Mr Speaker, they have a history of not interfering with other ventures in the private sector. Another interesting feature in that applicant's proposal, Mr Speaker, are that they are prepared to put their money

into the commercial venture and that I think, certainly to my colleagues on this side of the House, has meant a great deal and has impressed us accordingly. That operator, Mr Speaker, is of course the Blands consortium. Another interesting feature in their application, Mr Speaker, which is one which personally convinces me, is that in a multi-purpose use for the Dockyard we are not dependent solely to the shipping recession. Multi-purpose gives the commercial venture the flexibility which in my submission it would require in order to protect its economic position and by protecting its economic position it could, in my submission, be expected to retain its manning level requirements. But as the Leader of the Opposition has said, it is not for us to choose the operator but let the Government ensure that our fears as regards an unrealistic estimation of the manning level requirements are cleared and that they are cleared now before, in a few years time, they become a nightmare for us all. I commend the motion, Mr Speaker.

HON CHIEF MINISTER:

Mr Speaker, I do not think that anything that my colleague, Mr Canepa, said in any way indicated that we resented the motion or that we criticised the motion or the idea of introducing the motion as Major Peliza appeared to think. In fact, I think the House should be grateful to the Financial and Development Secretary for the information and the appreciation that he has given of the work that is being done by officials in respect of the project study. I think he is doing an excellent work and I know, as so many people know, that despite many difficulties and personal misfortunes he has soldiered through in very difficult times without giving up one meeting in order to see that this matter is properly studied and I think it is a great privilege that we have a man who has, as he stated here, the interests not of the Government but of the House, concerned in making sure that the right decisions are taken. Having said that you will have noted that he said he was speaking ad referendum to Ministers because it should be understood that though some of us see some minutes of what is going on we have not yet come into the picture in respect of the study which is taking place at official level. For that reason it is ridiculous and unnecessary to say that we are keeping things secret. We can hardly keep things secret which we do not know. Of course, if any Member of the Government wanted to see the minutes of what is happening they would be shown to him but my experience of Government tells me that for as long as competent officials are looking at a matter on behalf of the Government ad referendum and one has confidence in those officials, I think the best thing that a Minister can do is to keep aside, give guidance when required, when asked for, and wait for the final report on which you are going to make a judgement. That any Government, any Government, was going to ruin the rest of

the private sector just to save their faces, anybody who thinks that that is what is done in Government should have his brains tested. The other thing why we think that whilst it is interesting, as the Financial and Development Secretary said, that there should be an opportunity to test the concern of Members of the House in these matters is welcomed, it does not necessarily follow that any particular view expressed in a motion that would bind the House has to be accepted simply because it is well intentioned. It is in this context that we find ourselves, of course, not in a position to agree to tie our hands according to the terms of the motion because we do not know. It is a pity as so many times happens, that a recent case put forward by the Leader of the Opposition has been so thoroughly spoilt by someone who wanted to support it, Major Peliza, to such an extent that he has misrepresented what Mr Canepa said in his contribution because he has said exactly the opposite. I happen to have here Mr Canepa's speaking notes on what he said and what Major Peliza said was that Mr Canepa said that naturally the Dockyard would want to go into areas where now there are people carrying on businesses. He said exactly the opposite. He said it will not want to restrict the company unduly bearing in mind that the potential commercial operator can pass on by sub-contracts ancillary activities provided the service is adequate and the price is right and that the activity is available in Gibraltar. That is what he said. He did not say the opposite as produced in the performance of Major Peliza. That meant that the Dockyard could give work outside rather than go outside to take work from it. So let us put things in their proper place and let us be sure that if we are to be taken seriously we have to be responsible about what we say. The Financial and Development Secretary has said that he is still far from satisfied that the project is viable and in fact he repeated what we have said so often that we are not committed and so on. But in addition to that and in addition to show that once there has been this useful airing of view the motion itself cannot be accepted and perhaps the Hon Mover might think whether it would serve more the purpose to reconsider whether he wants to go on with it or not rather than have it defeated. There are three reasons why that should be considered. One is because we have a motion before this House passed unanimously not to agree with commercialisation before the matter is fully discussed here. There is another part of the motion in the Naval Base motion we passed at the last meeting where we were asking the British Government to reconsider the question of the closing of the Dockyard and therefore we should not take for granted and in that respect to some extent for completely different reasons I share part of the view expressed by Mr Bossano that it is not a fait accompli. If we accept it as a fait accompli then of course they will say: "What is the use of your saying this one day and then accepting that everything is going to go so badly that you have to take a motion to make sure that it is done this way".

I think that that is the reason why this is, I think, premature. And the third is, of course, the fact that as has been said in quite clear terms the mechanics for the running of this will make it necessary to have a Memorandum and Articles for the company that would appoint the managing agents for the operators who would be bound by a contract and all the safeguards, the reasonable safeguards, that a ship repair yard requires if it is going to carry out its functions properly without in any way impinging on local businesses, local trade and so on. It would be the acme of folly and absolute nonsense if we were to say that the Dockyard Study Group could consider the Dockyard to be viable because in the process it would do away with a number of firms that are now carrying on activities that they would be deprived. This would be stealing from Peter to pay Paul, it would be ridiculous. This would not be considered by any sensible person, let alone by people who are traumatised to such an extent about the possible result of the closure of the Dockyard that are taking every possible step to make sure that if it has to go ahead it is going to be, like the Financial Secretary said, something which is not just a substitute for something which was gradually losing its impetus and a wasting Dockyard where no assets have been put in for years and if it had not been for this it would have been for some other reason when in two or three or four years time in the present state in which the Dockyard is it would have been worth nothing at all and it would have died a natural death, but that we should look outwards, if this is going to be feasible, to a Dockyard that would activate the economy and would be able to provide new businesses, new activities. Whether it is possible or not we do not know but that is the way we should look at it and not as a substitute not only for the old or for the present Dockyard but for businesses which are running now and it would be ridiculous for any Government to say that they are going to have a private company to substitute the private sector when, in fact, what we want to do is to encourage the private sector. I will not deal, because I do not think it is within the ambit of the motion, as to whether one operator or another should have been preferred. I think that that is not part of the motion and therefore it is unnecessary for me to deal with that. That decision was taken, it may be that it is not to other people's acceptance, I do not think the House is debating that point and therefore I do not think that that is necessary for me to deal with. I feel, Mr Speaker, that I have dealt with the points that have been raised in a sensible manner. I do not have to say that this is the most important matter that the Government has to deal with in the immediate future. When I say that the Government has to deal with, it has to cope with problems raised by other people but in this case, in the study that is being made, the contribution is being made by our own officials and we are trying to shape our future by making sure that the work that is being done, that what is done is right. In respect of the other part of the difficulties that we have,

it is something over which we have no control and that is what our neighbours across the way do. On this we have an element of control and the control is to make sure that if there is going to be a substitute to the Dockyard it is going to be something that is going to be good for Gibraltar and not bad for Gibraltar. In that we have a very, very high responsibility to make sure that the best is done. For the moment I have full confidence in the Gibraltar team that is doing very hard work under the leadership of the Financial and Development Secretary and we think that the passing of the motion now would be untimely and as has been said unduly tie the hands of those who are negotiating perhaps even to get better terms or possibly even harden the attitude of those with whom they will have eventually to negotiate.

MR SPEAKER:

Are there any other contributors to the debate?

HON G T RESTANO:

I would just like for the record, Mr Speaker, to declare an interest and unless the motion is withdrawn I will be abstaining for that reason.

HON W T SCOTT:

Mr Speaker, I feel that since I do not derive any direct pecuniary interest from a small yard slipway that carries a name like mine, I feel free to vote in whatever manner I choose.

MR SPEAKER:

Well, that is a matter of conscience. If there are no other contributors I will call on the Mover to reply.

HON P J ISOLA:

Mr Speaker, let me first of all deal very quickly with the Hon Mr Bossano, and his reasons for opposing the motion that he does not accept the Naval closure and that a commercial operation depends entirely on the agreement of the labour force. This is true and he is right but I suspect that if for any reason the Naval closure goes ahead and the Dockyard closes, I suspect that people who depend on their livelihood from work would not necessarily take the view when the crunch came that it was worth having no job at all. My judgement is different to his although obviously he is far better qualified to speak on these matters than we are, being so close to the labour force. I think that it is a mistake on his part to just say that and say that any discussion on this weakens the struggle to keep the Naval

Dockyard open. I disagree with him on that for the reason that the viability is being examined presently, some day the specialists or the preferred operators with the team on the Gibraltar Government side and on the British Government side will come up with conclusions as to the viability or otherwise of the commercial yard and what this motion seeks to do is to, and that is why it is brought now and not afterwards when the discussions or whatever one likes to call them have taken place, then it is too late. What this motion seeks to do is to get the House to agree, get the Government to agree that a study of viability of the commercial yard does have certain constraints and those are the constraints that we put in the motion. That is why it comes now, it is not brought because we have given up the idea of the Naval Dockyard not closing, it is brought so that the Government, or whoever, when the discussions or whatever is going on have concluded, that it is said. "Now, look here, a commercial yard could be viable provided it was allowed to spread all over Gibraltar but we are aware that this is not the aim of the exercise and that we can only consider viability within the terms of a commercial operation". I must say, Mr Speaker, that we have not really had any assurances in this respect and this is what worries me and this is why I do not think I can accept the suggestion that I should withdraw the motion because I think if I did it would appear that we agree that these considerations should not be very fully in the mind in deciding the viability of the yard.

HON CHIEF MINISTER:

If the Hon Member will give way. That was precisely the purpose of the intervention of both the Financial and Development Secretary and myself. Certainly of my own, and I can speak for myself, and it was clear from his intervention, as well as the intervention of the Minister for Economic Development, that these are all matters that have got to be looked at. Whether we took as bad a view or as grey a view as the Mover takes or not is another matter but certainly we accept that these are very important criteria. Whether they are in the terms of the motion or not is another matter. I think I said quite clearly that all the concern expressed by the Leader of the Opposition was fully shared.

HON P J ISOLA:

Yes, but when I was speaking I was asking for a number of assurances.

HON CHIEF MINISTER:

But that does not mean that we are going to vote for anything that is brought in part of which I may disagree with as if this is a completely different concept. In the base, we are talking about criteria, certainly, but we do not want to be bound by a motion that might be said later on to fault one little bit which we have not been able to consider or foresee, that is a different thing.

HON P J ISOLA:

Mr Speaker, I can understand the Government not wishing to vote for the motion. They have far more information than we have, they know what is going on, we don't. What we are anxious to avoid, Mr Speaker, is a situation described in the motion and this is why I think we have to remember that there is going to be a commercial operating company which will belong 100% to the Government and Messrs Appledore will be the managing agents. The Hon and Learned Chief Minister says: "We are not going to run an operation and ruin the rest of Gibraltar". Well, I am sure they wouldn't and I am sure that that would not be the intention but the problem is that you can get a situation where you are faced with the choice of either keeping 700 men employed in the yard or doing away with a business or two and in those circumstances the choice is not free. In those circumstances one takes the lesser of two evils, put it that way. That is what we are trying to prevent now rather than later and that is why, Mr Speaker, I do not think that the Government supporting the motion, if they support the sentiments in it, I do not think the Government supporting the motion would interfere with the discussions that are taking place, on the contrary I would have thought it would have been helpful for the Government in their discussions. I am sorry I used the word negotiations, Mr Speaker. As you know, one talks of discussions and negotiations and very often, I know a lot of people say there is a lot of difference between them but I wonder whether there is but then you have got the agreement of Lisbon, and the statement, negotiations on sovereignty and discussion on sovereignty and so forth. I do not attach that much importance to the word but if somebody wants to amend it to discussions I would certainly not object to that. On the question of the Minister for Economic Development where he said the Dockyard could do sub-contracting provided that the price is right and adequate, I think that my Hon and Gallant Friend, Major Peliza, was misunderstood, let me put it that way. He was not saying the opposite to what the Hon Mr Canepa was saying. What I think the Hon and Gallant Major Peliza wanted to say was that in a commercial enterprise if you say "provided the price is right and the work is done right" it is so easy to say "the price is not right and the work is not adequate" so I think this is what he was trying to say and I can see that as an argument. You see,

the Dockyard could sub-contract, well, we would hope that that is what would happen. I think the Government would hope that that is what would happen. I am sure that the preferred operator says now that that is what would happen. But what we are anxious is that in a situation where perhaps the operator has not made a realistic assessment of labour requirements, he might be tempted and probably would be tempted because after all not only is he getting a management fee but he also gets if I remember rightly or would get a percentage on profits from the operation of the yard so there would be an incentive on the part of the operator to make it go well. I can imagine arguments being produced about efficiency, how to get the operation efficient, and to get the operation efficient it must all be housed in one place. You cannot be depending on other people to do jobs if they do not do it well - all these commercial arguments. It is a very difficult problem, Mr Speaker, I recognise this, but the idea in this motion is to bring it to the House, to bring to the House our view that these matters should be kept in mind in the discussions that are taking place at the moment and that the viability of the commercial operation should be clearly examined within these parameters and that is why we bring the motion. I do not think the argument that because of the motion passed in the House of Assembly we should not pass this one, the argument of the Hon Mr Bossano, I do not think it washes because what I am afraid of, and I am sure Hon Members on the other side of the House are afraid of, that although we have to keep the fight to keep the Naval Dockyard going, it would be utterly irresponsible on the part of any Member of this House to forget the alternative and do nothing about it. As the Hon and Learned Chief Minister knows, we have had discussions recently on the possibility on how and by what ways and means we could possibly keep that Naval Dockyard open and these discussions will, I hope, be renewed soon and we are all in favour of that. But, Mr Speaker, nevertheless, although we are all in favour of that, we are not going to be a party to suicide which no contingency plan is. And in any event if the viability is seriously in question as a result of the discussions and as a result of the House accepting these parameters, I would have thought that would lend argument and would lend force to the arguments for keeping the yard open. The parameters must be there and really, Mr Speaker, I cannot agree to withdraw the motion unless I got really specific assurances on these matters that worry us. I know it is difficult to give the sort of assurances that we want, that we require, for the Government to do it. I know that and I appreciate that but I hope that the Government appreciate that as they cannot give them for one reason or another, equally, I think it would be wrong for me to withdraw this motion which could be interpreted as an admission on our part that perhaps we should not have brought this to the House at all. I do not think that would be right and I do not think that would be proper and I think that the motion has to stay on record as far as we are concerned as representing our considered view on the correct approach in examining the viability of the commercial operation in the Dockyard. Mr Speaker, I commend the motion to the House.



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

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

The following Hon Members voted against:

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

The following Hon Member abstained:

The Hon G T Restano

The following Hon Member was absent from the Chamber:

The Hon J Bossano

The motion was accordingly defeated.

The House recessed at 5.10 pm.

The House resumed at 5.45 pm.

#### SUSPENSION OF STANDING ORDERS

HON P J ISOLA:

Mr Speaker, can I ask for the suspension of Standing Order No. 19 because five clear days notice have not been given in respect of this motion.

HON CHIEF MINISTER:

Mr Speaker, the last time that the same thing happened I said that I did not want it to be made a precedent, I have to say that again but I do not object.

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

HON P J ISOLA:

I beg to move the motion standing in my name which reads: "This House considers that since the discriminatory manner of opening of the frontier is now likely to continue indefinitely and thus cause serious damage to the economy and job losses, the Government should take any measures necessary to protect the well-being of the Gibraltar economy". Mr Speaker, I should say in moving this motion that the House will see that we are asking the Government in this motion to take any measures necessary to safeguard the well-being of the economy and it might be thought that in saying this we are giving a blank cheque to the Government. But obviously, that is not exactly so, what we are saying is that they should take any measures necessary, and we would support those measures, obviously, if they are seen to be necessary. We are doing it in general terms so that the Government appreciate that we are not putting any constraints of principle on any of the measures that may be necessary. We feel that the situation could become and could deteriorate so much in the next three, four, five, six or nine months that it would be wise to take measure as quickly as possible to protect the well-being of the Gibraltar economy. Mr Speaker, I know that different views have been expressed about what would be the effect on the economy if the frontier opened fully without restrictions. Some views have been pessimistic, some views have been optimistic and I do not think that it is necessary to make a judgement on them at this point of time except, possibly, to express one's opinions on it. In my view, a full opening of the frontier without restrictions in economic terms would be of benefit to the economy of Gibraltar. I have no doubt about that, I may be wrong but that is my own personal view. But where I am sure we are all agreed is that in the discriminatory manner in which the frontier has opened, there is no benefit to the Gibraltar economy and not only is there no benefit to the standards of living of the people of Gibraltar, there is also a real danger that there will be job losses. Now I know, for example, and I agree with him, the Hon Mr Bossano will say, or may say, I must never assume what he is going to say, he may say: "Well, the real problem is in the closure of the Naval Dockyard, that is the real problem", and, you know, it is true, and if the Naval Dockyard closed and there was nothing to replace it the job losses would be tremendous and this is nothing compared to that. I agree with that but we have to, I feel, direct ourselves to the problem that this motion seeks to highlight and that is the way the frontier has been opened, the discriminatory manner of the opening of the frontier and what is to be done about it. Mr Speaker, on this side of the House I expressed very serious doubts, I think it was on the 12th of December, three days before this act of humanitarianism, as it has been called, took place at the frontier, I expressed grave doubt at the bona fides of the way that the frontier had

been opened because I said that for a Prime Minister to have said when he announced the opening that people would only be able to cross once a day to avoid what was going on before, that there would be no customs and nothing was going to be allowed through to Spain by Spaniards and that no Englishman or tourist resident in the Costa del Sol would be allowed to come into Gibraltar, I said that was clear evidence to me then, it was clear evidence, that the manner of opening was intended to be damaging to the Gibraltar economy and helpful to the Spanish economy and I am sorry to say that that view was not necessarily shared by the other side. That was my view then and it has been confirmed by events. But, Mr Speaker, I can understand, and I could understand a view being taken that if the Lisbon Agreement is going to be implemented in full, if there is going to be a full lifting of the restrictions within two or three months, I can understand a view being taken that better not to do anything, let us see how it develops and then when the frontier is opened, well, we have lost out for two or three months that is not too bad, I can understand that view. But, I was gravely suspicious of the way it was done and the events, of course, I think have confirmed, if there is any confirmation really required, the view that the opening in December was in fact a clever ploy to allay international disquiet about the closure of the frontier and that people were not allowed to visit their families etc, allay international disquiet, on the one hand, and allay the fears of Malaga, Ceuta and so forth, on the other hand, and attack the economy of Gibraltar. What has happened? The Spanish Prime Minister and the Foreign Minister said that the restrictions were out-of-date and this sort of thing, the Foreign Minister said that they all had to be lifted and he looked forward to implementing Lisbon in the Spring, or having talks about the Lisbon Agreement in the Spring. Of course, when they said all that, Mr Speaker, unfortunately for us, when they said all that, they did not know really how the people of Gibraltar were going to react to the opening of the frontier on the 15th of December. They did not expect, I believe, that people would travel in their thousands across that border as soon as they opened the frontier. I do not think they expected that judging from what they saw and what they heard in Gibraltar especially political leaders say. We were proved wrong. They did not expect it but they saw it and they are not fools, the Spanish Government, they are not fools, their main aim is obviously to recover Gibraltar by one means or the other, we all know that, and when they saw what was happening they said: "Well, this suits us, it does not suit them and therefore let us keep the situation as it is". There is no excuse at all, Mr Speaker, let us be realistic and blunt. There is no excuse at all for not implementing the Lisbon Agreement. There is no excuse at all. There is no reason not to implement it because with the exchange of letters of the two Prime Ministers back in January, 1982, there was an agreement and everything is the same as it was then after the Falklands and the Spaniards intended to implement it at that date because they built a new customs

hall at the frontier, they built a road, they did everything. There is no legitimate excuse for not implementing and therefore we must look at the reasons it has not been done and make an assessment and, obviously, the reason they have not implemented it is very simply because they think they have nothing to gain from it and they have a lot to gain from the continuing situation or continuing the present manner of opening of the frontier and they feel they have a lot to gain from this. And at first sight, looking at it, if one considers the position, it does appear they have a lot to gain from it in economic terms. They are misguided actually, Mr Speaker, and the Spanish Government does make mistakes. People think they are very clever but they are not really because as the situation develops and the economy in Gibraltar deteriorates, as it will do. Let us have no doubt about it if the present situation is not arrested the economy of Gibraltar will deteriorate and jobs will be lost, and recession will set in, and parity will go quite apart from the Naval Dockyard issue, that will accelerate it but quite apart from that because the Government will not be able to maintain its level of public expenditure and the Government will be faced with a lot of hard decisions to make because in actual fact the front line is probably the private sector. That is the front line, that is what will be hit first, that is where the job losses will come. But there will be other problems that will come with it and the Government may have to take decisions in the interests of the economy as a whole to cut public expenditure and not wait for job losses in the private sector to bring things to a head. They may have to cut public expenditure in a fairly realistic way. They may not have to do it this year, Mr Speaker, because I would not think that the revenues of the Government have been hit yet in any real way and possibly if the situation continues, the revenue of the Government will be hit during the course of the next financial year more towards the end than towards the beginning and although the budget surplus that was budgetted for last year I think probably will come up to scratch from the figures that we have been discussing throughout the year, the supplementary estimates that have come to the House and so forth throughout the year, it would seem that the Consolidated Fund will be in a healthy position at March 31st, 1983, I would imagine. I am sure the Financial and Development Secretary is not going to say: "Well, now we can be complacent, we are alright for the next year", because he will see the problems that lie ahead and the difficulty, Mr Speaker, is bringing these things home to the public, to the people, bringing these facts home to them. I do not think that you bring them home, unfortunately, by just appealing to them. I know the Hon and Learned Chief Minister made a strong appeal yesterday to the people of Gibraltar but I am not so sure that that appeal will necessarily be heeded. I do not know, if it was and everybody stayed at home and all the money was spent in Gibraltar the problem would recede but I do not think that that is going to happen myself. I think

that the public have to be convinced that there is a problem and there isn't a problem for those people who have money in their pockets and wages and salaries secured in their pockets, they do not see the problem and they cannot be expected, I suppose, to understand the nature of the problem that is facing the economy of Gibraltar and through that, of course, the political structure behind it. I do not think people understand the problem that is going to develop as a result of the policy of the Spanish Government. People do not realise that this is a much cleverer attack on the Gibraltar economy than any that General Franco devised, much cleverer because it is bleeding the economy in a way people like to be bled, through enjoyment and personal expenditure in Spain. Off for the week-end at Easter, we do not have toilets in Little Bay and things like that because everybody is going off and, unfortunately, Mr Speaker, people just do not realise or do not want to realise but in our view it is the responsibility of the Government, of course, in the first instance, and of all Members of the House, to bring it forcibly, bring the situation forcibly to the attention of the people of Gibraltar by measures, by warning them of what is going to happen and what may not happen. Mr Speaker, for example, the Frontier is not opened or is it opened, I do not know. The British Government has agreed to support and sustain the people of Gibraltar as long as the restrictions continue. I would hope that they would agree that the restrictions are continuing at the present time and that they are damaging insofar as a normal situation does not exist between Gibraltar and Spain, there are no normal frontier formalities and so forth even though the Spanish Foreign Minister said this was a normal frontier as any other frontier in Spain. I tremble to think what travellers would say to that remark who have come to Gibraltar. But I am sure the question is bound to be asked at some time or another, or the thought is bound to be thrown out at us that it is hardly, how could I put it, it is open to some doubt whether we should ask for assistance from the British Government to help us in our economic difficulties brought about by us spending the money that that assistance gives in another country and that is something that I do not think the people understand or have realised, that particular problem. So, Mr Speaker, we would like remedial action, we would like to see remedial action taken to protect the well-being of the Gibraltar economy. And as I said I think a hard look has to be taken at the whole economy and measures have to follow. We have spoken of some in a previous debate, we have talked of reduction of import duties to make Gibraltar more competitive, we have talked on this side of the House, I was not saying the other side, on this side of the House, of the reduction of import duties to make Gibraltar more competitive. Seeking assurances from the Chamber of Commerce is necessary, of course, that reductions of import duties would be followed by reduction of prices so that Gibraltar becomes more competitive, so that people can be encouraged to buy in Gibraltar as much as possible. We

talked in the debate in December that if nothing goes through one way nothing should come in through the other way. Measures like that have to be thought of. Some may say a bit late in the day, the horse has already bolted, the stable door was open and the horse has bolted I don't know. But what I do know is that although personal expenditure as we have been told, mainly concerns spending money as opposed to buying goods in Spain, buying goods during the day also involves other personal expenditure apart from the goods. Measures will be unpopular, I am quite sure they will be unpopular but the guiding principle should be that the economy of Gibraltar has to be protected from the attack that is being made on it and it must be shown that it is an attack that is being made on the economy of Gibraltar. The bona fides of the Spanish Government is no longer in any doubt, there is no bona fides, now the situation is that they have seen the advantage from this measure which they probably thought could occur and they are exploiting it to the full and our duty is to protect our economy and to protect jobs in Gibraltar before they are lost. Look at my Hon Friend, Mr Bossano, and indeed all Members of this House, we see the problems of the Dockyard closure so we are doing something or trying to do something (a) to stop it and (b) if it cannot be stopped to replace it with a viable proposition. Here it is the same thing, the problem is there, it is arising, it is occurring and we have to do something to ameliorate the problem, to reduce its effect on our economy or face, as inevitably we will have to face, job losses and a deterioration in the situation of the economy followed by a deterioration in the situation of the Government revenues, followed by possibly more drastic cuts in public expenditure that could be avoided if, for example, they took place now rather than later when the thing has set in. This is what I would ask the Government, Mr Speaker, to start considering in depth and I hope that at the Budget we will have measures announced. I know the Hon and Learned Chief Minister has appealed to the public to keep these things in mind and I would hope and it would be very nice indeed if as a result of that we suddenly found a change in the people of Gibraltar, fine, but my suspicion is that we won't. I would certainly say that if it is the economy that is under attack it is the economy that has to be protected and although I agree that it must be brought home to the public of Gibraltar that there is an attack on our economy, in order to bring this realisation to them personally, they must see that measures are being taken that affect them, that measures are being taken to do something about it. I have thrown out, Mr Speaker, import duty situation, public expenditure, all very unpopular but, anyway, import duty will be popular, the import duty, public expenditure cuts, restrictions on movement of goods and any measures that are going to protect the economy. The situation is developing and measures have to be taken and that is why in this motion we say that the Government should take any measures necessary to protect the well-being of the Gibraltar economy which is now under attack. Mr Speaker, I commend the motion to the House.

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

HON CHIEF MINISTER:

Mr Speaker, it is just over 24 hours ago that I made a very long and very considered statement on the whole situation explaining the political realities of the situation and I went on to say that it is clear that there is no regard at all for the interests of the people of Gibraltar on the other side and I said: "Be that as it may we are now, I believe, fully entitled to take such steps as may be necessary and desirable to protect Gibraltar's economy in this new situation. To this end, the Government has considered a number of possibilities and I have already had preliminary discussions with the Leader of the Opposition and the Hon Mr Bossano and arrangements will be made for further discussions and for an early meeting with the Chamber of Commerce and the Gibraltar Trades Council. There will also be consultations with the British Government". It is precisely to deal with the situation which we have envisaged would arise that I mentioned that and that is why, of course, it is quite easy for us to accept the motion because that is precisely what I had in mind when I prepared these papers shortly after I gave notice of my intention to make a statement. I will deal with one or two other matters but very briefly because I think as, in fact, the Leader of the Opposition said yesterday, that that was a good introduction to what was going to be his motion today. I have to say that I was not mistaken in my assessment and there are quite a number of public statements that I made, I always believed that the day the frontier was opened the people would flock to Spain as they have done now. That they would have been as indiscriminate in their spending after the first few days of the honeymoon, of being able to go, that they would continue to do that at the same pace three months after, may or may not have entered my mind but I certainly had no illusions that people were going to feel it was patriotic to remain in Gibraltar, I never thought that. And, in fact, there may be good reasons why after 13½ years of restrictions people had the right to expand and in fact there have been given that limited right by grace of the humanitarian feeling of the Government of Spain and so be it, if they can enjoy seeing cows and sheep without spending much in the process. We used to be told that our children had never seen a cow, well, they can see plenty of cows and some bulls, too. In that respect I can say that I am not surprised. The other thing is that I did make an appeal yesterday, I would not call it an appeal, it was a warning of what was coming and I am glad to say that the reports I have is that it has gone down well. But for all I know it may have gone out well amongst people who may be doing exactly the same as they were doing before they heard the statement, amongst others. It was never my intention either that that should be an exhortation, I do not believe you can

live on exhortations. Exhortations are good in crises but you have to follow it by action and to that extent I had already envisaged that we would have and I have had preliminary discussions saying: "Are you willing to take part?" and I found very receptive answers from both the Leader of the Opposition and Mr Bossano and no doubt I shall get the same reply from the Chamber of Commerce and the Trades Council who have always contributed in times of crisis in these matters. Any measures that we take which are envisaged here would have to have the broad support of all sections of the community, of all responsible leaders I should say, it may not have the support of some sections who may be affected, but of all the leaders of the community if they are going to carry weight so that it does not seem that they are the particular ideas of any particular party for any particular reason. I mean party with a small 'p', that is to say, any particular section about the matter and of course we have had, as I said, we have a number of ideas, we have had a number of discussions, we have a number of options, and we will continue to try and bring them a little clearer before we call a broader meeting apart from the preliminary discussions, to go in with some concrete ideas to start with and I would urge others to do the same. Everybody floats ideas now, I have already had very interesting suggestions but immediately you put it to the test in respect of one section of the community you show how unacceptable they are. It is alright saying a departure tax of £5, but what do you do to a Spanish lady who wants to see her mother, is she going to pay £5 to see the mother? Certainly it is cheaper than going through Tangier but you cannot do it as often, anyhow, as you are doing now. With regard to the support of the British Government, I see that the Leader of the Opposition has also echoed that feeling or has also stated that feeling about our friends and the people who have got to support us saying: "You are contributing to your own difficulties". So far we have been able to say throughout the period of restrictions that they were for reasons outside our own control and that the restrictions had been imposed on the people of Gibraltar and that we had no control over them. Now we come to a stage where we could be accused if we do not do something, if people do not cooperate in the application of it, that we would be contributing to our own misfortunes if we did not exercise an element of restraint in this respect. And I said that we might lose an element of support from the British/Gibraltar Group, we could not be belly aching about difficulties in one respect and trying to divorce it from difficulties that we might have brought upon ourselves by our own actions. There is a point here which of course I entirely agree with and that is the effect that it will have on the economy, indeed we have been struggling with the Budget and we have had all these difficulties in mind as Hon Members will see when they get their own copy of the draft estimates, they will see that we have put in a lot of work into trying to reflect in the Budget the possible difficulties that would arise by a continuation of this, or even with restrictions there will be difficulties. That is

another matter which of course we have had in mind but it is not just a question of parity of wages and wage earners. They will be affected and they may be the ones, too, who are spending the money but there are other people who are spending more money who are not wage earners and who can have more effect on the wage earners than the wage earners themselves and that is the people who make the profit here to spend it in Spain. Those are the people, too, whom I pointed out yesterday who we have to bear in mind. We also have to bear in mind, as I said in my statement, the relativity between the protection of the consumer, or rather the advantages of the consumer against the advantages which some traders may have taken at a time when there was no competition. In that respect I would be less than sincere if I did not say that I get a feeling from talking to many of the people, perhaps the wage earners, some of the wage earners, who perhaps to pacify their consciences or perhaps in all sincerity think that after all why shouldn't they go and buy things cheaper across the way when for 13 years they have been paying more than they should have paid for certain goods. It is a feeling which is very strongly held in many quarters and these are all interlinking factors like all things that happen to us here from a very complicated situation. If, in fact, the situation is brought about by people either deliberately to destroy our economy or as a result of a misguided understanding of what humanitarianism is, certainly we should not be a party to it. I think that having regard to the feelings and the thoughts that led me to sound the word of warning yesterday as I did in great detail, I do not think that it is necessary for me to go through the whole spectrum of the economy in order to support the motion which of course follows naturally from what I said yesterday. I often wonder how much is known at the top in Madrid of what happens in the nitty gritty of the frontier here and how much hypocrisy there is in some of the remarks made by prominent people in office. I have good reason to believe that certain remarks made of surprise that the humanitarianism of the opening of the frontier was affecting the economy expressed in a certain television interview, that a warning of that had been given to that person long before by a well meaning interlocutor, so that either he had forgotten, he was bored, he was annoyed, or he could not care less.

HON A J HAYNES:

Mr Speaker, perhaps Members opposite will not like to hear what I have to say on this motion but, no doubt, they will voice their disagreement in the usual manner: "I think that everything that Felipe Gonzalez has done appears genuine as he has been as good as his word, he has done exactly what he said before he went into office which is something that not all politicians do. They say something when they are outside office and they are different when they come into office.

In this respect I give credit to him for having done precisely what he said he would do before he knew he was going to be elected. One thing I believe honestly, having regard to the performance of the Socialist Government, is that they are not going to make fools of themselves by whatever they do at the frontier.

MR SPEAKER:

Are you quoting someone or is this your text?

HON A J HAYNES:

I am quoting from the Chief Minister's statement or intervention of the 12th December, Sir.

MR SPEAKER:

Well, that is what I wanted to know.

HON A J HAYNES:

"I honestly believe that and whether we like it or not they will present something plausible. But I think that whatever we say about that, the courage of having at the very first meeting of the Council of Ministers of the Socialist Government taken a decision on the matter as sensitive nationally as the question of the frontier I think it deserves credit or a lot of courage. I do not think that there is that ulterior motive having regard to the effect that it would have on the Spanish economy and I do not blame him - Felipe Gonzalez - for having said that he proposes to protect the economy". Mr Speaker, I am not sure whether I should go on, perhaps there is one further reference which I could remind the Hon Chief Minister of. "What the Socialists have done" - Sir, this appears on numerous part of his intervention - "what the Socialists have done is what they have always said they would do and that is that they were divorcing the question of the restrictions from the question of their claim to Gibraltar. They have honoured that, they said that before they went into election, they said that before they knew that they were going to be elected. They put it into their manifesto and they have carried it out at the first Council of Ministers and that, to me, apart from anything else, is an honest intention. An honest way of describing your attitude to politics and I hope that that augurs well for the rest of the Spanish nation in respect of the new Government which being Socialist or Social Democrat augurs well like all radical movements everywhere in the world".



MR SPEAKER:

No, with due respect, let us not quote from Hansard to this extent otherwise we are going to have to reprint it twice, once when it was originally said and this time.

HON A J HAYNES:

I take your point, Mr Speaker. I am not sure what the reaction of Members across the road or across the way are from hearing the voice or the speech of their leader only three months ago but it does strike me, Sir, that the old man of foreign politics is now just the old man.

MR SPEAKER:

No, with due respect, shall we come back to the context of the motion.

HON A J CANEPA:

Mr Speaker, who does he refer to in saying the old man of politics?

MR SPEAKER:

I am not quite sure.

HON A J CANEPA:

Is he referring to the Hon the Chief Minister or is he referring to somebody outside Gibraltar?

HON A J HAYNES:

I am afraid it is the Chief Minister who has put himself out as the saviour of Gibraltar.

MR SPEAKER:

Order. We will now come back to the question before the House.

HON A J HAYNES:

As regards the motion, Sir, we are putting forward a motion which in turn is very similar to that motion brought before this House on the 12th of December which was thrown out and now perhaps, Sir, we will be listened to with more clarity and that is the reason why I have quoted to the Chief Minister parts of his intervention at that stage.

HON CHIEF MINISTER:

Perhaps the Hon Member, after having had his diatribe, may give way. I have to remind him that I had given notice of my making the statement before the notice of motion was given.

HON A J HAYNES:

I am not sure what to understand from that, Mr Speaker.

HON CHIEF MINISTER:

No, you don't understand I imagine that your intelligence does not go far enough, you have only got malice in that head.

HON A J HAYNES:

I do know that the diatribe, Mr Speaker, are the Chief Minister's own words being repeated to him. Sir, in analysing the reason why Government should accept this motion, one must accept the four gross blunders made by the Chief Minister in December of last year. The first one, Mr Speaker, and I think they are all underlined by the statement which I have read to you, are that he refused our request for measures to be taken from the outset of the announcement that the Spaniards were going to open the frontier. Had this House at that stage acceded to the request of the Opposition in their motion, perhaps there would not be the reluctance in opposition which the Chief Minister presently anticipates in the introduction of measures. Now the people have grown used to going through they will not take kindly to measures to control them.

HON CHIEF MINISTER:

You are trying to go there yourself.

HON A J HAYNES:

Secondly, Mr Speaker, the Chief Minister bungled, and there is no other words for it, the question of a 24-hour frontier.

MR SPEAKER:

No, with due respect. I am not going to accept a motion on a particular matter to start censuring the Chief Minister for anything else he might have done in the process of his interventions in the House, I cannot and I will not allow it.

HON A J HAYNES:

Mr Speaker, may I have a ruling on this?

MR SPEAKER:

You have had a ruling, you are out of order.

HON A J HAYNES:

No, if I may be allowed to expand, Mr Speaker, my purpose is to show how the Chief Minister was wrong in his interpretation of the events in December.

MR SPEAKER:

But that is not the object of the motion, the object of the motion is that the present system at the frontier is such as to be damaging to the economy and that measures should be taken to counteract this. That is the way I look at the motion and that is the way it has got to be interpreted.

HON A J HAYNES:

Mr Speaker, I would crave your indulgence to express that the reason why we believe that Government should take measures necessary to protect the wellbeing of the economy are partly as a result of their failings in the past and that is why I would like to express what their failings have been. It is why I have said, Mr Speaker, that the difficulty of introducing measures now has been exacerbated by the incompetence of the administration three months ago and on that basis, Mr Speaker, I ask to be allowed to expand.

MR SPEAKER:

Well, you go ahead and we will see what happens.

HON A J HAYNES:

Mr Speaker, the second, as I say, misunderstanding of the Chief Minister which is going to make it more difficult to introduce measures now, was in his approach to the 24-hour frontier. He said no to the measure introduced in the debate by us of usual hours. Two days later he changed his mind and I should also remind the Chief Minister - I do not think it is necessary for me to quote and certainly after your ruling I shall not - he reminded the House, he echoed the words of the Gallant Major who reminded this House also that matters relating to the frontier were non-defined domestic matters which required the approval of the Foreign Office. The Chief Minister himself said this on the 12th December. Two days later he takes a decision without consulting with the Foreign Office, the result we all know was that he was overruled. That was a disaster, in my opinion, for Gibraltar, what a loss of face, what untold damage has this caused our position. Not to say it has

undermined the prestige of this House, the prestige of this House which is essential, in my submission, if we are to introduce measures to protect our economy. His third mistake, Mr Speaker, was to enthuse over the Spanish announcement. There is no need for me to read his statement again but I would like to refer to the impression and to the statement made by the Leader of the Opposition at that same debate based on the same information available to the Chief Minister. I shall be brief: "It is all very well for the Chief Minister to say - 'I have a lot of respect for Felipe Gonzalez, he has done what he said he would do at the election' - but he does not say that he has not done what his Foreign Minister said he would do in the Man Alive programme of July, 1982, when he said - 'we will remove' all the restrictions if we go in' - he does not mention that inconsistency and then he relates what the Spanish Prime Minister said during the election campaign". In summary he says: "What they said then was that the reason for a step by step opening was 'we take one step, let us see what steps you take before we take another step'". I think the Leader of the Opposition in his analysis, in his interpretation of what this augured was 100% correct and the Chief Minister, however, overruled this side of the House, overruled the doubt and the result of that has been to exacerbate the situation. Because by misreading, and this comes to the fourth problem and perhaps the most serious of all, by misreading the situation he has misled the people of Gibraltar. The Chief Minister's effusion, his reluctance to introduce measures have resulted in the raising of false hopes in Gibraltar. The Chief Minister's approach to foreign policy then can only be equated to that of an old big . . . . .

MR SPEAKER:

No, I am going to stop you now, with due respect.

HON CHIEF MINISTER:

Mr Speaker, I really must ask for your protection if I am going to be here to be slated in a manner which has no relevance at all to the debate to the extent of insulting. It is not becoming the proper conduct of the House to have to listen to this and if he carries on like this I shall have to walk out and all the Ministers will walk out.

MR SPEAKER:

Mr Haynes, to the extent that it is relevant to the debate you are entitled to say what you have said. To the extent that you go beyond the orbit of the debate I have stopped you and I will continue to stop you if I have to.

HON A J HAYNES:

Mr Speaker, I may add that I have now finished the analysis of the 12th December so the Chief Minister need not concern himself. It appears that he now has accepted a change in the situation, he has arisen from his reverie as can be seen in the statement of yesterday but it is irksome to us that in paragraph 4 he refers to his 12th of December intervention, paragraph 4, where he says: "While regretting the discriminatory nature of the partial opening I welcomed the move itself when it was announced as a step in the right direction". I think, Mr Speaker, he did a lot more. He more than welcomed it as a step in the right direction, he made it downright difficult for us to introduce measures but I am not here just to outline the kind of measures which we expect to be seen introduced in the sense that we hope that the Chief Minister has now got a clearer understanding of the problem and he will not just see introducing negative measures as a way of protecting the economy. We believe that measures, the kind of measures that we ask for in this motion for the wellbeing of the economy, are not necessarily all of a negative nature. The example of the import duty reduction is in itself positive but over and above the ambit of the economic measures, Sir, there is one further measure which is measures to be taken to break the blockade once and for all. The Chief Minister is forever saying: "We can do nothing about that". Well, I challenge that statement and I ask the Chief Minister to take positive steps. I believe that we now have sufficient evidence to establish in any international forum that the partial opening has been hostile in nature. In my submission the Chief Minister should be preparing to storm the machine of Spanish propaganda which continues to oppress the people of Gibraltar and let us start, Mr Speaker, by making public our grievance and by genuinely embarrassing Spain in a European forum. I ask, therefore, that the Chief Minister instead of staying here and saying there is nothing we can do about it, that he should use his contacts, which are considerable. . .

HON A J CANEPA:

Does he have the prestige any longer, I thought you said he didn't.

HON A J HAYNES:

He should use his contacts to visit the European Parliament and explain to Spain's possible future partners the risks that they may take if they allow Spain to join the Community. This, Sir, is in my submission a positive measure and one which can be extended further depending on its success and which may result in precipitating Spanish foreign policy and allowing us to live in peace. I ask, therefore, Mr Speaker,

that we rise to the occasion, that we fight our disappointment and our disillusion and I ask that we do not be fooled again and the Chief Minister, perhaps if I started by quoting him he will appreciate that I end by quoting him from his statement: "It may be thought that I have said some harsh things, I have done so, but I believe they needed to be said. Gibraltar is a democracy and if what I have said is not representative of the views of the great majority we shall know the answer in the very near future". I commend the motion, Mr Speaker.

HON M K FEATHERSTONE:

Mr Speaker, the Hon Leader of the Opposition and his other colleagues who have not yet spoken have my sincere sympathy because the look of embarrassment on their faces at the conduct of the last Member and his vituperation has clearly left them in a great state of embarrassment. I do not need to defend the Chief Minister, he can do that very well for himself but regarding his statement on the 12th of December had he started off by denying any possible honesty in the attitude of the Spanish Government when they said they were going to open the frontier on humanitarian grounds, he would have been decried I am sure by the Opposition immediately as putting a spanner in the works. But, of course, when you have a certain gentleman who I understand is one of the Members of the House of Assembly who is following a tacit agreement not to go to Spain although this is very much against his personal wishes, one can understand that he does not like the situation. I was going to say that we are going to be possibly fifteen Jeremiahs, but perhaps after the Hon Mr Haynes' intervention, we will only be fourteen Jeremiahs.

MR SPEAKER:

No, perhaps there will still be fifteen because I think there were sixteen Jeremiahs.

HON M K FEATHERSTONE:

We have to some extent <sup>to</sup> tell the people what is almost a prophecy of doom, and unfortunately in many instances people do not heed prophets of doom. One thing in the Chief Minister's statement yesterday was a very pertinent phrase, in fact, somebody has said perhaps it is going to be headlined in a newspaper any day now. Are the Gibraltarian "panzistas"? Well, I will tell you a little story about the way I see it. There were a lot of people who did not like the attitude at the frontier before it was opened, so much so they said that they were going to build a brick wall across the frontier and keep it closed forever. Then the frontier opened and they decided to go to Spain because they heard that bricks were cheaper over there and once they had

gone over there and they had enjoyed the fleshpots of the Sierra Nevada and the Costa, they forgot all about the wall. I wonder, Sir, are we not to some extent like the lemmings who rush to drown themselves in the sea? Are not the Gibraltarians rushing to drown themselves in a sea of Spanish spending? Now, Sir, are we to believe Señor Moran when he said the La Linea customs is like any other customs in Spain? We could be generous and believe that he is being misled about the La Linea customs by his officials, or it might be that he deliberately prevaricated the truth. That is something that we shall have to see and I would hope that the British Ambassador in Madrid will challenge Señor Moran to verify and see the truth of his statement that this customs is just the same as any other. Now, Sir, although the motion does have one or two little facets which we might not fully agree with, the facet that it says it is now likely to continue indefinitely, I think that perhaps goes a little further than might be the case since it has been said that talks will continue between the Spanish Foreign Minister and Mr Pym in the coming months, basically the Government is willing to support the motion but we must consider what we do most carefully and they must be realistic measures that we take and amongst the realism we must have the blessing of the UK to such measures. For example, some people talk a little glibly why don't we put exchange control on. Well, I cannot easily see the United Kingdom agreeing to exchange control on the Gibraltar frontier only. And even if there were exchange control, would it work? So many things can be purchased in Spain today by means of the simple credit card so that an operation of exchange control would break down almost immediately when a person went to Spain and made his purchases or paid for his leisure activities by the use of American Express. The Government will do its utmost but the real answer to the situation, I feel, lies with the will of the people. I cannot do more at the moment than repeat the Chief Minister's view-point in his statement yesterday. We must ask each and every person to show restraint preferably not to go to Spain and if they must go or if they go to visit family, to cut down their spending to the absolute minimum. This is a challenge to our dignity as Gibraltarians, let us rise to it, let us show if such be the case, that Señor Moran and Señor Gonzalez's ploy to ruin the economy of Gibraltar under the guise of the phrase "humanitarian grounds" is to fail. As I said, Sir, the motion, although not fully having the wording I would like, I find I can support.

HON A T LODDO:

Mr Speaker, I sometimes think that politicians are a bit like soldiers, if everything is going fine they are both considered at best a luxury which sometimes one can ill afford and at worst a nuisance or even a menace, but get a crisis and the army, the soldiers, become our gallant heroes, our brave young men and the politicians become more than just civic leaders, they have to become nothing short of magicians and

miracle workers and I suppose that perhaps this is only natural that people should think in these terms. The interview of Señor Moran must have been an eye opener to a lot of people. Today anyone in Gibraltar who had deluded himself or had allowed himself to be deluded into thinking that Spain had changed her attitude towards Gibraltar, today he must really take a second look, take off his rose tinted spectacles and face reality because if we do not face it now, when the time comes, when the day of reckoning arrives, I think we are all going to be in for a very severe shock. The question a lot of people in Gibraltar are asking today, and I am sure that they have asked all of us here, I have certainly been asked it: "What are you doing about it? What are you going to do about it? You must do something". And when they say 'you' they are not referring to the DPBG because I am DPBG and I am sure they are not referring to you as AACR or GSLP, they are referring to you as a leader of the community. Party barriers have been broken down for this, this is now too big. We are all being asked to give leadership and the people want a responsible leadership, and although the leadership must come from all of us, of course, it is the case of noblesse oblige and the Government have to lead in this leadership. There are some things that we just cannot do. We cannot keep on asking the United Kingdom to keep on pumping money into Gibraltar, to keep the Dockyard going, to keep parity going and to maintain us in the style we have been accustomed to maintain our standard of living which we have gained after years of struggle. Some have struggled longer, some have struggled for less but it has been a struggle and we cannot keep on asking for this and at the same time spend over there money hard earned over here. If I may also tell a little story. When I heard that the frontier was going to open on the 15th of December the advice that I gave to my friends was: "On the 15th of December, do not stand in Winston Churchill Avenue". When they asked: "Why?", I said: "Because you might get buried in the rush". And in fact, Mr Speaker, the partial opening of the frontier resulted in nothing short of a shameful stampede followed by an orgy of spending the likes of which I do not think we have ever seen in Gibraltar, people were spending money as if they thought it was going to go out of fashion. And this has just got to stop. We cannot live beyond our means and I feel that we have been living beyond our means. You are not going to get the people to stop of their own accord. There were people who said: "Don't worry, once the novelty wears off, people will stop". Well, the novelty of La Linea might have worn off but now we have Sierra Nevada, we have skiing, we have Seville, Jerez, football matches all over the place. One thing is certain, that this will only last as long as the money lasts. Today Gibraltar is facing its most critical challenge since the closure of the frontier. At the time of the closure of the frontier the sheer size of our adversary proved, if nothing else, as it is proving again, that we just cannot do it alone - Independists please take note. However, for the first time that I can remember there is something that we the Gibraltarians can do of our own accord and that is what has

been already stated in this Chamber twice. We can do something about it by not going over and by not spending our money over there because whatever measures we take must surely not be of a retaliatory nature, whatever measures we take will not cripple the Spanish economy. The measures we take are obviously aimed at maintaining our economy and the simplest measure but paradoxically the most difficult one to implement is in our own hands - we stay in Gibraltar. If we have to go to Spain as some people will no doubt have to go to Spain, then by all means go but go for the reason which must be a valid one, or should be a valid one and come back. Your hard earned money which you earn here you spend here. We should at this time put country before self. Before I finish I would also like to say that we should also ensure that the consumer in Gibraltar is not held to ransom. In certain areas I am sad to say the consumer has been held to ransom and although justice has been shown to have been done in essence, really, I do not think it has been done and we, in advocating a policy of stay at home and spend your money at home, we should not put ourselves in the position of having this thrown back in our faces that the consumer is held to ransom and that is why we are going across the border. Thank you, Mr Speaker.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I was impressed with the contribution of the Learned Leader of the Opposition in the way he introduced his motion and I sincerely believe that he expressed the conviction of all of us here. I have also been impressed by the way that the Hon Mr Loddo has conducted himself and I felt that this motion was going to be a motion which was going to unite us, not only as a Government and Opposition but as people of Gibraltar, but I am sorry to say that the way that the Hon and Learned Mr Haynes has behaved has rather shattered the esteem that I had for him. I am really surprised because I have been a bit longer than he has in this House, and I certainly have never been disrespectful to the Leader of the Opposition and, in fact, I do not think I have ever been disrespectful or shown any kind of antagonism towards any Member on the opposite side. I myself find it quite shocking that probably the youngest Member of this House should make such a personal attack on the oldest Member of this House, to me it is quite shocking. I will give you an illustration of Sir Joshua's political knowledge of foreign affairs. When the Lisbon Agreement was announced, none of us were consulted in Gibraltar, it was a fait accompli. Sir Joshua, the very next day, I think it was about 10.30 in the morning the next day when we found out officially, said: "But this is not going to happen, the frontier will not open". And I said: "Why is that?" and he said: "Well, unfortunately, the Foreign Secretary" - who I think was then Lord Carrington - "does not know that the chap who signed it is the Foreign Secretary of Spain, and it does not mean anything".

HON MAJOR R J PELIZA:

Would the Hon Member give way? Can he explain why the Government then spent so much money in getting everything ready for the opening of the frontier?

HON MAJOR F J DELLIPIANI:

Yes, I can explain, I can certainly explain that. I can explain that because we cannot act on feelings ourselves, on how we feel on the situation. It would have been quite stupid for us for the Spaniards to have done the opposite. We had to show that we were ready, we had to show the British Government that we were ready. We did not have to show the Spaniards that we were ready. We had to show the British Government that we were ready for a full opening of the frontier. And, in fact, if I remember, the Hon the Chief Minister had a bet with the then Governor. I think the bet was 10p and he won. Let me go back now to the 12th December which the Hon and Learned Mr Haynes has mentioned so much. On the 12th December when it was announced that the frontier was going to open on the 15th December, we didn't know that it was going to be discriminatory. I think most of us felt that we did not like it, even though we did not vote in favour of the question of the closure of our side of the frontier. I think we were more or less thinking in terms of security and fears that the people of Gibraltar had of having a full opening of a frontier which we never had before. We were not thinking in terms of a discriminatory opening because we did not know it was going to be discriminatory. It was only on Saturday morning that we found it was discriminatory over the radio and I think we met on Sunday morning and I am sure that no one is going to believe that the Chief Minister does not know that the Foreign Secretary or the Foreign Office can overrule his decision. But we had to show how annoyed we were that this was discriminatory and the only way we could show it was by acting in the way that we acted, by advising the Governor that we wanted at least the border to remain as it was before. That is why we did it. But we knew full well that the Foreign Secretary could turn around and say: "Don't throw a spanner in the works, you are going to spoil things". And the fact that we did that gesture has strengthened our position now because we were telling the Foreign Secretary then that they were wrong because we have been proved right again. But we still have to act in a sensible manner because, after all, Great Britain is responsible for foreign affairs, so we have to go along whether we like it or not with the way they are thinking. They think that they know the Spaniards better than anybody else. They think that with their British diplomacy and their traditions, how famous they are for being the best diplomats in the world, that they can understand the situation in Spain better than anybody else just like they thought they could understand the situation with the Argentinians. And they did not because they do not know how the mind of a Latin works,

we do. So there is no question that there wasn't any political awareness in Gibraltar by the Chief Minister. What we can never be accused by the British Government is that we are throwing spanners in the works. The Spaniards themselves and the British spoilt it because the British do not understand, and when I say British I mean the United Kingdom, they just do not understand the Spaniards and the Spaniards still do not understand the British. But we understand them both. I am glad to say that the manner that the Hon Mr Lodo has presented his contribution to this House, that I have toned myself down slightly and I am beginning to forget the things that the Hon and Learned Mr Haynes has said. Thank you, Mr Speaker.

HON J BOSSANO:

Mr Speaker, I am not going to say a lot. Let me say that I had serious doubts about the motion before I heard Members speak on it, and that the doubts have now been removed, I am absolutely sure now that I will not support the motion.

HON MAJOR R J PELIZA:

I had no doubt that he would not.

HON J BOSSANO:

We all seem to be clairvoyant in this House, Mr Speaker, after the event, of course. I am not certainly going to indulge in what I fear to say is almost becoming a national pastime and used to be a mediaeval custom of self flagellation, we do penance, and I am not going to do that and spend half an hour telling everybody here and everybody outside here how badly we are behaving and how much damage we are doing. I did my analysis in the motion brought by the Hon and Learned Member, the Leader of the Opposition, to the House in December on the question of the frontier opening hours, where I said that I was supporting it in spite of the fact that I thought it was a meaningless gesture in practical terms but a very important gesture in symbolic terms, and I supported it for the very reason, in fact, that the Government failed to implement it because I do not take orders from the Foreign Office and I do not think we should. And I certainly cannot see what is the point of asking the Government to take whatever measures are necessary to protect the wellbeing of the Gibraltar economy and in support of that motion to quote, as the Hon Member that has just spoken has done, that we have to go along whether we like it or not with whatever the Foreign Office says. Well, let us first find out from that Foreign Office what they allow us to do and forget motions in this House or policy decisions. If this is foreign affairs and we have to ask them to do whatever they think we should do, then the House can count without my support. It will be the Foreign Office and the other fourteen

elected Members but it certainly will not be me or the GSLP. Nor do I agree, as the motion says, that since the discriminatory manner of the opening of the frontier is now likely to continue indefinitely and thus cause serious damage to the economy and job losses, the Government should take measures necessary to protect the economy. The Government has got an obligation to protect the economy whether the thing is likely to continue or not. Are we saying that if Señor Moran has a change of heart in April in his Brussels meeting with Mr Pym we then backtrack because it no longer appears to be indefinite, we no longer have to take measures. Well, I do not agree with that. Nor do I agree with the explanations that have been given in support of the motion ascribing the evil intent to the Government of Spain to cripple the economy of Gibraltar. This is not a ploy to cripple the economy of Gibraltar it is not my job in this House of Assembly, Mr Speaker, to defend the Government of Spain, or the Government of Britain, or anybody else. My job here is to defend the policies that I stood for election on and which I will put back before the electorate at the next election we have. That is what I am here elected to do and nothing else. But if on record we have statements put I think it has to be put on record also that those views are not unanimously held by all Members of this House otherwise, by default, if anybody stands up and says something different, it would appear unchallenged that one accepts those statements. I do not really see that it is of direct consequence to this except that if the implication is that there is a discriminatory manner of opening the frontier, you know, we talk about reciprocity, well, what does it mean? What do we mean by reciprocity? What do we mean by discriminatory? Do we mean that provided they do not allow us to bring beetles back from Spain it is not discriminatory because it is on the basis of equality and reciprocity so they can stop us from taking beetles there, is that what it means? That removes the discrimination. If they stop somebody bringing a trophy back into Gibraltar provided they also stop somebody taking a trophy from Gibraltar back into Spain there is no discrimination. The effect on the economy is not the result of people not being allowed to spend money from Spain, although that has got an impact, it is a result of people from Gibraltar spending money in Spain and that they are not being forced at gunpoint by guardia civiles to do, they are doing that voluntarily and freely. And there is a reason why they are doing it and that reason is, as I said in the previous motion, Mr Speaker, you cannot legislate like King Canute to push the waves back. There are economic factors, economic forces in the relationship between the economy of Gibraltar and the economy of the hinterland and those economic forces are working in one direction. And the consumers who are today spending their money in Spain have improved their standard of living because they are buying more with the same money. They have improved it partially at the expense of the people who lose their business or their jobs in Gibraltar but also at the expense of the fact that the cup of coffee that they buy in La Linea is being served to them by somebody who has



got an inferior standard of living. That is part of the essence of economic analysis. If you go for a holiday to India, the fact that you get food there cheap is because there are millions of Indians starving. That is part of the reason. And if you go to an Indian restaurant in Gibraltar you cannot expect to get the same thing because we demand certain standards in terms of employment and wages and so on. That is the consequence of the economic situation. The Hon Member in introducing the motion said that he was not giving the Government a blank cheque. Well, the motion asks the Government to take any measures necessary to protect the economy which I understand the Government had already indicated they intended to do in the statement they made. When I was consulted by the Chief Minister, as I said earlier, I was just told that this statement was going to be made, that it was going to mention me and that he wanted an indication from me whether I would be prepared to take part in the consultation that would follow after this House and I said yes. I said yes because I believe that when an approach is made to me I should respond to that approach but reserve my position until I see in concrete terms what precisely it is that the Government wants to do and then if they want my opinion, which they do not have to take, they have got a majority, but if they want my opinion, I will tell them my opinion for what it is worth whether I am prepared to support it or not and if I support it I will defend it publicly and if I do not support it I will say publicly that I do not support it. I do not see that the Government has got any difficulty in accepting that because as I see it that is what they indicated in the statement they intended to do. I certainly cannot go along and say let the Government take the measures necessary because I need to know in whose judgement are those measures going to be necessary, in my judgement, in the judgement of the Foreign Office? Is it going to be put to the vote in this House of Assembly or is it going to be the Government itself? I would have thought the responsibility lies with the Government and the Government should come along with what they think is necessary and either amend it, if they get a feedback from ourselves or from the Trade Union Movement, or from the Chamber of Commerce, or having listened to the view of others, if they are still convinced that they are on the right track then they have got the responsibility and the right to defend their programme, their policy on dealing with the situation. I think, both on this occasion and on the last occasion, in fact, what the House has concentrated mainly on is in pointing to the existence of a problem which I think we all know is there, rather than in pointing to the solution which, of course, is much more difficult to do. It is easier to know what the problem is than to know what the answer is. Certainly, I would have serious doubts myself that reducing import duties would alter the situation and I think the Government in responding to that said that purely from a Government finance point of view if a reduction of duty is not compensated by an increase in volume which at least maintains the same yield, then the net result of that

is a loss of Government revenue without necessarily that loss of Government revenue being sufficient to compensate perhaps, for more jobs being kept in the private sector and revenue coming in some other way. But, certainly, if the Government comes along and says they are going to lower the import duty I will support it, irrespective of the wisdom of the situation because as a consumer obviously it is better to pay less duty than to pay more duty. The number of statements that are made in respect of the debate, Mr Speaker, and in a way I have stood up because I really feel that we were not really making any progress in terms of the motion itself. For example the Hon Mr Loddó talked about keeping on pumping money and Britain maintaining us in the style to which we are accustomed, well, I take very strong objection to that. I do not think that that goes contrary to a lot of statements I have made in the House previously about the relationship between Gibraltar and Britain but I do not think it is really relevant to the motion. I think as regards the contribution that Mr Haynes had to make perhaps he went a little too far in the way he put it across but let us face it what he was doing I think was a perfectly legitimate exercise. He was quoting a previous statement in this House and pointing to a contradiction but let me tell the Hon Member that it is very difficult, in fact, not to contradict oneself between one point in time and another. I go back as you know, Mr Speaker, over previous statements that I have made and other people make in this House and one would need to be almost infallible not to say things which turn out to be incorrect at a later stage. But I would agree with him that the reaction of the Chief Minister to the pedestrian opening was certainly a much more enthusiastic one than that of the Leader of the Opposition and my own reaction was to say as far as I am concerned it is neither here nor there. I want the Lisbon Agreement stopped and if this is a step in the right direction towards its implementation then as far as I am concerned it is a step in the wrong direction, I am against the Lisbon Agreement. And if this motion feels that we need to do something because the frontier is going to stay as it is at present indefinitely because the Lisbon Agreement is not going to be implemented, then my view is that we would be facing the same problem or, possibly, an even more serious problem had it been opened completely. And I have explained in the House why before, Mr Speaker, I explained it the last time. It is not simply a question of people coming here and spending money. If you have a perfectly normal customs control in the La Linea frontier and Spaniards come here and buy Japanese goods, the Spanish customs are perfectly entitled to levy the same duty on top of the duty we have already levied as they would if the goods came straight from Japan to Spain. And if we think that is discriminatory then it isn't that we want Britain to keep us in style, it is that we want Spain to keep us in style and that is total nonsense. Spain has got a claim over Gibraltar, a claim that I reject. I do not accept the validity of the Spanish claim and I am not prepared to talk with Spain of Gibraltar's sovereignty. But that does not

alter the reality that as far as the Spanish Government is concerned, the present one, and any future one, for the time being, anyway, the position is that they consider that this is their land, not our land, and that therefore the policy that they have taken on the frontier is a policy that they can defend internationally. I think the Hon Member quite frankly, the Hon and Learned Member, Mr Haynes, is being extraordinarily naive if he thinks that the Chief Minister can go trotting off round the Ten in the EEC and tell them: "Don't let Spain in because look how nasty they are being to us". Because they are not being nasty to us, what they are doing is saying: "Right, we are opening the frontier to allow Gibraltarians to walk into Spain and visit Spanish friends and relatives and to allow Spaniards to walk into Gibraltar and visit friends and relatives". And then, in practice, they are being nasty in a number of ways with fishing rods and so on and so forth. That is the essence of the step that they have taken. And the policy that they have taken is that Spain is not going to do anything that will sustain the economy of Gibraltar because they do not have to do anything to sustain the economy of Gibraltar because they do not want the economy of Gibraltar sustained. If they want us to change our minds, you know, we may preach to them, as I think we have been doing, that they should be wooing us but I think the Spaniards are no fools. The Hon and Gallant Member says that we know the Spaniards better than the British from UK do. I agree, but I think the Spaniards also know us quite well and I think the Spaniards have got no delusions that if they showered us with gifts we would come loaded back with the boots of our Hondas full of the gifts and then we would do what we do when we depart from not very congenial company when we go to the frontier. That is what we would do when we got to our side. And I think the Spaniards have got no doubts about that so that they are not going to shower us with gifts. They are out to show what they have been trying to show unsuccessfully for fifteen years, what the Chief Minister said, I think, in his Budget speech in 1981 when he was saying how solid the economy was and the prudence and the foresight of the Government had finally created a situation where, what would Castiella be saying now, who thought that Gibraltar could not survive with Spain, well, that is what the Chief Minister said in 1981, I wonder if he will read that little bit in the Budget speech of 1983, Mr Speaker? We are, in fact, not looking at the situation realistically if we think it is a question of mounting an international campaign against Spain because I think Spain can, in fact, defend itself very well in the current situation. I think the one area where they were on the defensive before was the area of separating families and because the incoming Government recognised that as the one weak point in their strategy what they have done, rationally, with a lot of political soundness is to remove that weakness. And what have they left us with? They have left us with a situation where they are telling us: "Right, we are not preventing you from coming into Spain to spend your money, if that is what you want to do, but we are preventing our nationals from going to

Gibraltar to spend their money and we are preventing our tourists from going to Gibraltar to spend their money because, obviously, if every pound that a Gibraltarian spends in Spain is one pound less in the economy of Gibraltar, by definition, every pound that every German tourist or every Spanish national spends in Gibraltar is one pound less in the economy of Spain. Now, clearly, if they came in and they spent £1m it would be a drop in the ocean for the Spanish economy. If our people go over and spend £1m it is a disaster for us because of the relative sizes of the economies but what they are saying is that they are preventing that £1m coming in because they do not see why they should support and sustain the economy of Gibraltar. That is the message. We may not like it but it is a message that we have to accept because we do not want to be Spanish and I accept it, Mr Speaker. I think that is the only realistic way to look at it, I think the motion quite frankly does not take us beyond the statement that the Chief Minister has made. I am prepared to take part in this consultation process but I shall have to wait and see what the package looks like before I can say I will give it my political support.

HON MAJOR R J PELIZA:

If the Hon Mr Canepa will allow me, perhaps he would like me to speak before him. I would like him to realise that I would like to be perhaps misinterpreted by him for a change rather than be told that I misinterpret what he says. I am not going to be long, Mr Speaker, that must be a great relief to you and no doubt to the Members of the Government and the Opposition. There are a few things that I would like to say and perhaps the first thing I would like to do is bring the House back to the essence of the motion which is really what are we going to do to stop the leakage which the economy is now suffering from and suffering seriously. And also, Mr Speaker, one of the other things I would like to do is perhaps to exonerate to a large extent the people who are causing the leakage. I do not see it in the same light as the Chief Minister sees it and I would like to put my point of view. I think his statement is a bit harsh as far as the people of Gibraltar are concerned particularly when he announced at the beginning of this that this was a great triumph and particularly when he gave no warnings of the dangers that could result from the opening of the frontier and therefore there was no reason why the people themselves should feel that they were doing anything wrong until, perhaps, last night, when he made the first statement, a statement perhaps that if he had made it 20 years ago we would not be in the position that we have today. Therefore I think that whether we like it or not, and I am sorry that the Chief Minister is not here so that he would hear what I am saying. If he had done this 20 years ago the whole situation of Gibraltar might be very, very different from what it is today. And if we are at the brink now he must carry that responsibility and so must the responsibility fall on the shoulders of

all those who have formed Government for him for many years back. It has been a complete misjudgement in foreign affairs and all his knowledge, I think, has been destroyed by the manoeuvre of Señor Moran who no doubt led him up the garden path right to the very last moment and I think it is not fair to put the blame now onto the people of Gibraltar when it has been through a misjudgement on his part. Mr Speaker, what are we going to do about this? I would have liked as my Hon Friend, Mr Bossano said, that the Government should have taken the responsibility which is theirs in the three months that have gone by to have a plan which they would have introduced into this House today as measures that they propose to take or if they were incapable of doing that then to have called for a coalition Government. But what is a little bit unfair, as a politician I am talking now, is to try and bring in the Opposition to take all the unpleasant and unpopular measures that will have to be taken so that we all share that unpopularity. That, I think, Mr Speaker, is not leadership because if there had been leadership the leadership has got to be blamed, if there has been no leadership up to now it is because he is to blame as well because he has not led Gibraltar. Therefore I am afraid that my Hon Friend, Mr Haynes, was not all that much out of context. I do not think he was, Mr Speaker. He nearly made the Government resign when they said they were going to walk out. This is the first time that the Opposition is forcing a Government to walk out. I was very surprised to hear the Chief Minister say that. Anyway, Mr Speaker, we are not talking politics now. No, I am honest, those are the facts, what I have said are facts and any one who can refute them let him say so, they are facts. So it is not politics, Mr Speaker, it is the facts leading to the position of today. And Mr Joe Bossano, who is really beginning to learn politics very cleverly, he knows how to stay on the touchline when he should and when to join the game when he should, and even Mr Bossano has promised to join the game on this occasion when he hears what the measures are going to be, depending on the measures. How unpopular are the measures may be one of the considerations. But not us, Mr Speaker, I think the Opposition is prepared to face the situation because we have a responsibility, we are an alternative to Government and therefore we have got to demonstrate to Gibraltar that we are prepared to take whatever unpopular measures will have to be taken. Having said that, Mr Speaker, I say that the Government should also concentrate. When we say measures, as my Hon Friend Mr Haynes said, there are positive and there are negative ones. A very, very negative one is the one that we heard from the Minister for Public Works when he said: "I am not going to open the toilets at the beaches because people have already booked cars for Spain and therefore what are we going to do that for?" That is a very, very negative measure which is in fact pushing people into Spain. If that is the position of the Government, Mr Speaker, they are only themselves to blame if we find more and more people going over. We have said here on many occasions that something has got to be done to make the bars

and restaurants more attractive. We hear the Chief Minister in his statement saying that people go to Spain because restaurants are cheaper there. What has he done to try and make restaurants cheaper here? That is the question, and what is he going to do about it? I have been one of those people who have been bringing it to his notice time and time and time again so I am not trying to be wise after the event on this occasion, Mr Speaker. Yes, Mr Speaker, that is the situation, and there are many other things that can be done to try and attract people to remain in Gibraltar. Equally, I think that one may have to take serious measures. We all know that perhaps the money spent on leisure in Spain is perhaps the biggest drain but we also know that there are a lot of items that are now beginning to come into Spain which is going to affect and is already affecting a number of traders in Gibraltar. And because traders are not like the Government which can just keep things going by adding taxes, they have either to make the place attractive and buy and sell or they are finished. Remember that some traders perhaps have monopolies and they can abuse consumers. But remember that there are many other traders here who are in full competition with other traders in Gibraltar and I can tell you, I am in business. The competition in Gibraltar is very, very severe and that competition in itself will bring the prices down to the level that it is possible in Gibraltar. I know that you compare certain articles between Gibraltar and Spain but if you take into account the amount of money that is paid on freight, on packing, on handling in England, on handling in Gibraltar, on the time that you have to have the stuff in your storehouse and the money invested at a very high interest, and the high rates, and the high rents, and the high wages that we want to maintain. And this is in fact my next point, I am glad you reminded me of that, on the high wages. Mr Speaker, when you realise all that then you find that whether we like it or not if we want to maintain the standards that we have in Gibraltar because that is the only way that we can pay high wages, through the margins that you get out of sales, if we want to maintain that standard which is higher than the other side, then people must be made to understand that all is not just buying things a little cheaper. Economics is much more complex than all that. But the people have not been told and it is very, very bad to call them all sorts of things when they do not even know what they are doing because the thing has not been explained. I think the Chief Minister was very wrong there. Mr Speaker, another measure that the Government must take is the process of informing the public and doing that by every possible means. Nothing has been done in that respect. A lot has got to be done in that respect. That may mean Government having to spend a bit of money in that educational process but that money is going to be money very, very well spent and I suggest to the Government that they start doing that immediately. Mr Speaker, as I am saying this the Government if they had had any imagination would have been able to come and say it here but they have lacked completely

imagination. I am not a Jeremiah so the Hon Minister for Public Works may count me out of that. I have tremendous faith in that the people of Gibraltar will come out of this, of course they will. I have tremendous faith that the Government, with an Opposition in Gibraltar, as we have always been able to do however critical we may have been of each other, at the end of the day we have not quarrelled, we have been able to come tops, Gibraltar has succeeded so far and Gibraltar is going to carry on succeeding. But I hope that the Government is not feeling the way that the Hon Mr Featherstone is because if they have lost the battle even before they have started I suggest that they give up and that they allow somebody else to take over. I am not a Jeremiah nor I believe are the Members on this side of the House, I do not know about Mr Joe Bossano but I suppose I can include him in that. Now, Mr Speaker, coming to the people themselves. They, Mr Speaker, those who go over, are as British as those who are here speaking today and they are as Gibraltarians as we are. They have been subjected for many years to a conditioning that psychologically few people in the world would have been able to sustain and suddenly they have been given the treatment that any psychologist would tell you what it would do, they have opened the gates, after they had been closed for years they have opened the gates. What do you expect people to do? Of course they go out, of course they go across, particularly when they are not told 'don't go'. The Chief Minister said he was very pleased to say how well we got on. Of course, the whole idea is that we should go so that the process of the Lisbon Agreement would carry on and therefore the Spaniards would see that this was going to work and open the gates completely. In fact, maybe the Spaniards have made a big mistake and they do not know it yet because I think they have made a big mistake in the same way as they made a mistake in 1963 and 1964 when they thought that if they stopped the people of Gibraltar going into Spain we would give in. They have made the same mistake, they see us flocking over there and they believe they have got us. The trouble is that some of the people here are beginning to think so as well, that is the danger not what they think, what we think is the danger. I do not believe that will happen. I think they appreciate the British values much more than all that. But if they can have a pleasant time, why not? We have lots of people here in Gibraltar who are able to get out very often, I am one of them.

HON H J ZAMMITT:

You are never here.

HON MAJOR R J FELIZA:

Well, I am here. Perhaps if I may say so, that Minister is probably doing better than me. He is probably spending more time in England than I am at the expense of the Gibraltar Government. I am afraid that the last person who can speak

in that respect is the person who has just spoken. Not that I think he is wrong. I have always said that the Minister for Tourism should be at the counter and should be there and I am glad to see that he is getting a hint from me and he is doing what I have told him. In fact, when I come here I see lots of things that go wrong which I can tell you, the British flag over there which was a disgrace and it is thanks to me that it was dropped down; a filthy place down at Jumper's Bastion which thanks to me has been cleaned. Mr Speaker, I may be here for a short time but the short time is very productive, it is not quantity, Mr Speaker, it is quality that counts. To speak about a referendum and that if the people vote in favour but do not take into consideration the economic side is not really being British, that is total nonsense. In England today, if you go outside British Leyland where there has been a lot of unemployment and whose livelihood depends on producing British cars, I guarantee you, Mr Speaker, that you see lots and lots of Japanese cars parked outside of the workers who go into British Leyland because it is human nature to act that way. Britain has got a lot of unemployment but the number of people who buy foreign cars in proportion is much more than British cars. The number of people who buy goods that are not British is much greater than those who buy British, Mr Speaker. That does not mean that they have got no allegiance to Britain. Of course, they have allegiance to Britain the same as the Gibraltarians who go across the border have allegiance to Gibraltar. It is a lot of nonsense, but very mistaken nonsense which if taken seriously by people in the UK is going to have very serious repercussions. He talks about the Gibraltar Group. No doubt about it; the British/Gibraltar Group never thought of that but when they read this they will think about it now. I think that in that respect the Chief Minister has done a great disservice to Gibraltar by putting that in the statement. I am sorry, Mr Speaker, that he is not here to listen to me but this is the way I feel and this is the way I say it. I think that my Hon Friend has moved a very good and timely motion to the House something that I hope will urge the Government to do something after three months of inertia and that it will bring about, I hope the Government has the courage to do it themselves by getting all Members of the Opposition in to produce a policy to overcome the difficulties that will give the confidence to the Gibraltarians that we can survive and also I think persuade those who because of circumstances have had in the past to go over there and perhaps get some enjoyment out of life.

HON A J CANEPA:

Mr Speaker, I think in many respects for me, personally, this debate constitutes what I regard in many respects as being a rather sad day for Gibraltar. I think that we are seeing in the House this afternoon reflected many of the divisions that exist within the community and the different

attitudes that there are with regard to the problem that has now been posed by the partial opening of the frontier. I think the divisions, if they are mirrored correctly here, they are perhaps even greater than what I had thought they had been. And here I do not think I am referring so much to the Hon Mr Bossano because as usual he kept his contribution to a fairly logical basis, at least according to his lights, and there was no question of any personal considerations coming into the picture at all. The Hon Mr Loddó in his intervention spoke about party barriers having broken down. I hope that having heard Major Peliza, I hope that he realises that he is mistaken.

HON A T LODDO:

If the Hon Member will give way. Mr Speaker, what I said was that people when they are addressing us they were addressing us as leaders collectively and they had broken down the barriers. For them, the problem was so big, that they could only think of the Members of this House collectively, as leaders, not that the party barriers had been broken down by the parties themselves.

HON A J GANEPÀ:

If those same people were present here this afternoon and saw how we are conducting ourselves I wonder what they would think about their leaders. If such party barriers have broken down certainly personal invectives in this House has not. I thought, Mr Speaker, that the statement of the Chief Minister followed by the debate on the motion of the Hon Leader of the Opposition, would have led to a process of consultation which might have meant the beginning of a launching pad where the people of Gibraltar as a whole, through the leadership provided in this House, would have been able to arrive at a consensus as to how to face, as to how to deal with the problems that we are now faced with with respect to the partial opening of the frontier. But in my view the indications from what I have heard here today are that that process of consultation will fail. And certainly if Major Peliza and the Hon Mr Haynes have anything to do with that process of consultation I doubt whether they will even get off the ground. I am not inclined to give way now to Major Peliza having regard to the fact that during the last two meetings of the House I asked him more than once to give way and he did not do so. To exonerate out of hand the people who are causing the leakage is irresponsible, Mr Speaker. At no stage did any political leader in Gibraltar, and certainly not the Chief Minister in the early days both and before the 15th of December, urge the people to go to Spain. The message from the Chief Minister was not one to the people of Gibraltar, go, eat, drink and be merry in Spain. It was a matter that had to be left to individuals. To say that the Chief Minister is to blame when the Chief Minister gave an indication of warning as early as the 1st of January when we

started to see a pattern emerging in his New Year's message. He said then that we had to look to the general good of the economy and the need to ensure that we did not undermine it by our own acts because already the signs were there as to how people were behaving in what the Chief Minister did not call but I am going to call indecent haste and there is no doubt in my mind that there was that. He went on to say that Moran led the Chief Minister up the garden path. He might have done that to Mr Fym when they met on the 10th December and indicated that there was going to be a further meeting with a view to an early implementation of the Lisbon Agreement. Surely, it was the British Government that was led up the garden path, it was the Foreign Office that was led up the garden path and fooled, as usual, by the Spaniards. I think there is a view, even now, perhaps, in the Foreign Office that the Spaniards have to be appeased and that view may be held at very high levels of the Foreign Office. And even now I wonder whether they have seen through the Spaniards. Major Peliza's attitude seems to be that of a trader, the customer is always right, the people are always right. But a previous generation of Gibraltarians, going on now for nearly thirty years, behaved differently. Between 1954 and 1967, in the face of restrictions imposed following the visit to Gibraltar of Her Majesty the Queen, people voluntarily boycotted Spain. But perhaps in those days it was easier because it was a case mainly of boycotting La Linea, San Roque and Algeciras, and now it is the case of not being able to sample the delights of skiing. I think, Mr Speaker, that the time has come, and it came yesterday, when there had to be plain speaking from political leaders in Gibraltar. And if the people do not like it, before the year is out and before twelve months are out, if they do not like that plain speaking they will have an opportunity to indicate that no doubt by the manner in which they vote. But that in order to attack the Chief Minister in the personal manner in which two Hon Members have done so this afternoon, one Hon Member who has been the only other Chief Minister of Gibraltar should out of hand exonerate the people and give the impression that they can carry on regardless as they have done up to now, is I think the acme of irresponsibility. I have not heard him unequivocally appeal to the people to think twice about the harm that they are doing. I think, Mr Speaker, that we have a serious problem in Gibraltar. The Hon the Leader of the Opposition said that perhaps the people do not see the problem. They were speaking some months ago, in the last year or so, on more than one occasion here in the House how the people did not seem to understand the problem about the Dockyard because the only ones that seemed to care were the ones whose jobs were directly affected and the others in the public sector or in the private sector did not seem to realise the domino effect that there was going to be as a result of the closure of the Dockyard and that, therefore, because if today, three months after the opening of the border, people were spending their money in Spain, a year ago we were saying that they were spending their money, not on one video, but on two videos because husband and wife do not



agree on what they would like to watch, so they buy two videos. We were saying that, that there was that sort of spending because people did not seem to appreciate, people had become materialistic and they did not seem to understand the problems that were going to be posed by the closure of the Dockyard. I think there is a limit about the extent to which we can exonerate people. Sometimes people do not want to see it, it is unpleasant to have certain facts put before them and on this occasion perhaps a lot of people do see the consequences of their actions but they have taken the attitude that they have been done in for thirteen years and they are getting their own backs on traders, and there is some of that going on. I have had it put to me by people in the business, grocers, that there are people purchasing in Spain milk, tinned condensed milk, which is more expensive in Spain and is of inferior quality to that being sold in Gibraltar. Why are they doing that? I can only understand that it must be part of this euphoria of buying at el Continente or in Eco Mateo, or wherever it is that they shop in La Linea. They have been caught up in this feeling of spending in Spain and therefore they are going to keep on buying regardless of whether the goods can be purchased and in any case, en passant, they are having a go at the local traders. There is some of that, that is going on as well. I felt yesterday that people were not going to take much notice of the appeal, or the exhortation of the Chief Minister. After this afternoon, after this evening, I am more convinced that that is the case because the story will get out that the Hon Members of the House are not in agreement as to how we should go about tackling this matter. And if Hon Members are not in agreement, how do you expect the people to behave? Therefore the people will rationalise and they will continue to behave in the same way for whatever reason each of them can adduce to justify their actions. Mr Speaker, prior to yesterday one message that was coming through was that in some quarters people were expecting the Government to give a lead. One heard that if the Government asked them not to go or if the Government asked them not to spend they would not, and our attitude then perhaps was: "Well, we cannot be the guardians of the people's conscience". But I think that now the lead has been given and if no notice is taken and measures which are not going to be easy to think of, effective measures, or to introduce effectively, let me warn Hon Members, if no notice is taken and there are serious economic problems, jobs are lost, the Government has to increase taxation and the people's standard of living starts to drop, at least we will be able to turn round and say: "We warned you, we asked you, three months later, after we knew that the Lisbon Agreement was not going to be implemented, once the pattern started to be established we warned you, well, what do you expect?" I do not think that there is the slightest chance of any reaction and I am prepared to postpone judgement for about a month or so because I realise, and the Hon Mr Featherstone is right, I realise that many people have made arrangements to spend the Easter weekend in Spain and I doubt whether people are now going to cancel their arrangements just because the

Chief Minister made the statement yesterday. I am prepared to suspend judgement for a month or so and then we shall see how the figures begin to compare with the figures that we have had of crossings in the last three months. I think it is going to be very difficult to devise measures to protect the economy that will be effective or watertight. For instance, should such measures be applied at the land frontier only and do we continue to allow people as they have been doing for many years, perhaps the privileged few, or not so few, but the privileged, certainly, who own yachts, or who have access to yachts and who have been able to go across to Spain for many years and spend a lot of money there. What can you do about that? What restrictions can you place on the freedom of movement of such people? And what is the relative damage to the economy that is done by someone purchasing a small amount of goods in Spain compared to someone investing in the Spanish economy £15,000 or £20,000 in purchasing a residence, how do we measure the two? And what action can be taken to stop that? Nothing. So because there are these problems, the divisions, the different attitudes that are going to be evinced, that are going to become evident in people, are going to lead to a great deal of debate and a great deal of controversy. The measures will be unpopular. It will be difficult to get a consensus amongst people and if we do not arrive at one ourselves, the prospects are even greater with respect to the general public. We saw how at the Annual General Meeting of the Chamber of Commerce traders themselves could not agree to a voluntary boycott because the traders were not prepared to sacrifice the right that they consider that they had, either as traders if they wanted to do business in Spain, or as consumers, or tourists, if they wanted to visit Spain either to purchase goods there or for leisure. There were deep divisions among them and there you had traders, the ones who are being more directly affected at the moment than anybody else. And I think, therefore, in conclusion, Mr Speaker, my message to the House must be that we cannot behave like Nero, while Rome burns we cannot be playing the lyre. We cannot be quarrelling amongst ourselves in the manner in which we have been doing this afternoon in the House. If we do, people I do not think will forgive us and if the present do perhaps a future generation might not if they find that the security of Gibraltar has been undermined and the identity of the people has been brought into jeopardy. I cannot help thinking that it is wrong when we are debating on a serious matter such as this one for Members to slate each other in the manner that one has seen here. All I can say to the young man who has just left the House is that all young people, if they live long enough, become old men and in years to come, if he is still a Member of the House, there may be some other young man here who might refer to him as an old man in the disgraceful manner in which he described the Chief Minister. My complaint is not about what he quoted from Hansard, that is fair comment, that was perfectly alright, my complaint is about these other remarks which I think have done a disservice to Gibraltar. I would have hoped that we would have been able



to sink our differences, would have been able to start working together for the general good of Gibraltar and I would appeal to the majority of the Hon Members opposite, the sincerity of none of whom do I doubt, that we should try to sink our differences, personal or political, and let us at least ourselves start working together. If we can work together there is a chance, whoever wins the next elections in Gibraltar that may not matter, whoever wins the next elections, there is a chance that we can save and look after the interests of Gibraltar but if we carry on the way we are, Mr Speaker, I think the people outside will point the finger at us and the blame will be on the whole lot of us. Thank you, Mr Speaker.

MR SPEAKER:

If there are no other contributors I will call on the Hon and Learned Leader of the Opposition to reply.

HON P J ISOLA:

Mr Speaker, I intend to reply very shortly to this debate, you will be pleased to hear. Let me say straightaway that in a motion of this nature, when a situation is serious, there is bound to be a certain amount of recrimination, there is bound to be a certain amount of criticism and I think Hon Members are entitled to criticise and I think the question of criticism works two ways. Sometimes we are at the receiving end, sometimes the Government is at the receiving end. Today it is true, the Government has been largely at the receiving end and I cannot grudge Hon Members looking at the developments since the announcement of the partial opening of the frontier and forming a view that there was a serious misjudgement on the part of the Government side. Having said that and having said also that in my view the people of Gibraltar were not sufficiently warned at the time of the opening of the frontier of the manner of opening and its possible consequences. And because they were not warned we are now faced possibly with a more serious problem of public relations than we might otherwise have had. Having said that, I would certainly echo what the Hon Minister for Economic Development has said. I would certainly echo his sentiments that it is important pro bono publico, it is important that the Government and the Opposition should agree and we are doing that today, in a rather disjointed manner, perhaps, Mr Speaker, but we are doing that today, that we should agree that measures are necessary and that measures have to be taken. I think we should also recognise the problems involved in the taking of any measures. I think, actually, the tragedy of today, is really the dissenting voice of the Hon Mr Bossano and I think my Hon and Gallant Friend, Major Peliza, said the right thing when he said that he tends to stay on the touchline. The Hon Mr Bossano is clever enough to realise that any measures that are taken, however mild, are going to affect or possibly could affect, primarily, the

average man in the street, the average working man that goes to Spain and who has a feeling of bitterness, possibly, about the way the traders have dealt with him in the last thirteen years and forgetting conveniently, of course, forgetting that in fact the standard of living in Gibraltar has been extremely high during the last three years due to the influx of money into the economy and the money not going out. But he knows that whatever measures we take will be unpopular and therefore he prefers to stay on the touchline and use what I frankly consider, one might regard them as logical arguments but really, quite ridiculous ones. Of course we all know that the Spanish Government knows the effect of the partial opening of the frontier will have on Gibraltar, of course we all know that, but what we cannot do is to continue his party policy which is, it is up to the Spaniards to do what they like in the frontier. It is up to them to decide when they open, it is up to them to decide what they do, because as in this particular instance, if we accept that principle that it does not matter to us: "I am alright Jack, if you want to open, open, if you do not want to open, do not open, if you want to let people through, let them through, if you do not want to let them through, do not let them through", if we follow the logic of that conclusion and say we do not mind and so forth, it is crazy because it does affect us and we have to mind and they have a unilateral act and they have affected us, they have affected the economy of Gibraltar. A million pounds going into Spain, he says, does not matter to Spain. Well, I would respectfully disagree with the Hon Mr Bossano because a lot of that million has been spent in La Linea and it has mattered a great deal to La Linea, and that town is having a little boom of its own at the moment. And if measures were taken, and I am not suggesting they should, but if measures were taken that could affect the economy of that town, it could well be that the socialists who made this partial opening one of their reasons, really, was to help their fellow socialists in La Linea, might have thought twice. The Hon Mr Bossano cannot have it both ways. The Lisbon Agreement was intended to result in the lifting of the restrictions and that is why a Spanish customs was built in La Linea and for him to say that if the restrictions are lifted and there are normal customs relations a man who buys a video will still have to pay duty and therefore, it would not be worth his while, it is perfectly true, that is perfectly true but it does not follow that way, things do not occur that way. I can tell the Hon Member that the biggest buyers in London in the shops are Spaniards. They buy in great quantities and is he telling me that the customs in Spain make them pay duty in everything that they take through, perhaps they do, I do not know, but it must still be cheaper for them, it must still be worth their while when they do it. If that frontier is a normal frontier and that customs is a normal Spanish customs, I do not agree with the economists who say that we are going to have a rough time, I think Gibraltar will have boom conditions precisely because there are only 30,000 of us who can go that way and there are over

40 million who can come this way in a normal frontier situation. And that is why I think that the Hon Member is very misguided although possibly logical, is misguided in what he says and the way he acts and I suspect that one of the reasons, the main reason for it is because he knows that measures that may have to be taken are going to be unpopular and we have put this motion, Mr Speaker, and I hope the Government will accept what I say in this, we have put this motion in to show that we from the DPBG are prepared to take measures to protect the wellbeing of Gibraltar, of the economy of Gibraltar, whether they are popular or not and I fear, hearing the Hon Mr Bossano, I fear that it may well be that when measures are discussed, and I am prepared to take part in these discussions, the Hon Mr Bossano will look at them not from the point of view of the economic wellbeing of Gibraltar but from other considerations of popularity and so forth and I think, and I would agree with what has been said by Members on both sides of the House, that the economy is under attack and we have to close ranks and we have to put our thinking caps on and see that measures are implemented to protect the wellbeing of the economy and we must take the people of Gibraltar into our confidence and explain the situation when the time comes in a manner that they can understand and appreciate and therefore, Mr Speaker, let me assure the Hon Minister for Economic Development that all is not lost with the debate that has taken place because the sort of debate and the sort of comments that have been made in this House are made outside and are the sort of comments we are also going to meet outside. People do have divided views. I was stopped in the street today and there was criticism of certain gentlemen, certain traders who were telling people to spend their money here and they were spending it there, as has been mentioned in the House, and then other problems and other comments. I think we are going to meet with a lot of disagreement, Mr Speaker, but one thing I am convinced of that the measures will have to be taken and measures have to be taken to protect ourselves, our way of life and our future. Thank you, Mr Speaker.

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

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

The following Hon Member was absent from the Chamber:

The Hon J Bossano

The motion was accordingly passed.

#### ADJOURNMENT

HON A J CANEPA:

Mr Speaker, I beg to move that this House should now adjourn for the Budget session to Monday 18th April at 10.30 am.

MR SPEAKER:

I will then propose the question which is that this House do now adjourn to Monday 18th April, 1983.

Mr Speaker then put the question which was resolved in the affirmative and the House adjourned to Monday 18th April, 1983, at 10.30 am.

The adjournment of the House to Monday 18th April, 1983, at 10.30 am was taken at 8.05 pm on Thursday the 24th March, 1983.