

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

6 July 1983

Vol. II

WEDNESDAY THE 27TH JULY, 1983

The House resumed at 4.50 pm.

PRESENT:

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

GOVERNMENT:

The Hon Sir Joshua Hassan CBE, MVO, QC, JP - Chief Minister
The Hon A J Canepa - Minister for Economic Development and Trade
The Hon M K Featherstone - Minister for Public Works
The Hon H J Zammitt - Minister for Tourism and Sport
The Hon Major F J Dellipiani ED - Minister for Housing, Labour and Social Security
The Hon Dr R G Valarino - Minister for Municipal Services
The Hon J B Perez - Minister for Education and Health
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 Loddio
The Hon A J Haynes

The Hon J Bossano

IN ATTENDANCE:

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

PRAYER

Mr Speaker recited the prayer.

HON CHIEF MINISTER:

Mr Speaker, at Monday's meeting I sought an adjournment until 4.30 today in order to be able to report to the House the outcome of events leading to the question which is uppermost in our minds and that is the question of the Dockyard. A statement is being made at about now in the House of Commons and in

the House of Lords on the situation, hence the reason for meeting at this time. We are bound, under the terms of a resolution. Paragraph 5 of the resolution which was passed in this House on the 22nd February, committed the Government to full consultations with all the political parties represented in this House before any decision was taken on the commercialisation of the Dockyard. That being the case it was not in my view proper for me to come and make a statement, answer questions and then move a motion. I thought we would have duplicated the events by doing so and, I therefore intend to move the motion now. I also want to seek your authority to read my statement because it embraces a number of details which I cannot leave to notes alone. It is also my intention at the end of this statement to give copies to Hon Members opposite and to the press and to adjourn in order to give the Members opposite an opportunity of considering the statement and meet as soon as possible thereafter to debate the motion. Unfortunately there has been some misunderstanding about procedure which has led us to agree on the time that would be required. I had thought that if we adjourned today until a convenient time tomorrow, at midday or so, the contents of the statement could well be considered by all Hon Members and the motion subsequently debated until all those who want to take part have done so. I will leave the question of the period of adjournment until the statement has been read. If any matter of clarification arising out of the statement can be made now within the Standing Rules I would be quite happy to do that but I should like to express that this is a statement in support of a motion and not a statement.

MR SPEAKER:

Precisely, that is what I want to make clear to Hon Members, that what is happening now is not that the Chief Minister is making a statement on which Hon Members would be entitled to ask questions for clarification, but that the statement will form part of the moving of the motion itself. I think the rules are required to be imposed liberally in matters that concern the interests of Gibraltar to such an extent. I will therefore most certainly give the Opposition limited opportunity, at the end of the moving of the motion by the Chief Minister, to clarify any matters which they may wish to clarify in order to enable them to be able to contribute to the debate when we resume again. Yet let it be clear that whilst I am prepared to bend the rules of practice which I am entitled to do to some extent, I will not under any circumstances have a debate within a debate and provided that I am satisfied that the questions which are being asked are going to be for the purpose of clarification then I will not object, otherwise I may have to intervene.

HON CHIEF MINISTER:

Sir, perhaps I should stress again that had it not been for that amendment I would certainly have come here with a statement but the proposals that I have, of course, have been made subject to the fact that I have to put this motion to the House. The British Government is not in that position, the British Government's executive powers do not bind them as the motion has bound me and that is why I want to make it quite clear.

HON P J ISOLA:

Mr Speaker, may I just say thank you for the clarification you are making because I think you must appreciate, Mr Speaker, and I am sure the Hon and Learned Chief Minister must appreciate, that when there is a subject of this magnitude on which something is going to be said it is usually done in the form of a statement so that Members can then question the statement and question the Chief Minister on more than one occasion. Under our rules of debate, if it is done in the form of a motion, we would only be able to speak once and we would not be able to get clarification on our fears and on other matters until the closing speech of the Chief Minister. So, certainly on the basis and on the understanding that at the end of the Chief Minister's speech we may ask a few questions just to clarify the position, we are happy to proceed on this basis. I must also say that certainly my idea, I should say at this stage, that my idea of discussions between the different political parties in Gibraltar certainly wasn't that there would be a formal motion in this House and a resolution taken but I can raise that in the debate.

HON CHIEF MINISTER:

I didn't get the last part of the Hon Member's remark.

MR SPEAKER:

I think the Hon Member is trying to insinuate that if the Hon the Chief Minister had proceeded by a statement in the first instance they would have had a better opportunity to clarify matters.

HON CHIEF MINISTER:

I do not agree. We are going to have a full debate whereas if I had made a statement all I would have done was say, "This is what has happened, you can ask as many questions as you like at the end of the day". We are bringing a motion to this House, whether it is accepted by Hon Members opposite or not, we are bringing a Government motion in this House which is going to be fully debated. Insofar as clarification is concerned, if there are any requests to give way for clarification in the course of the debate with any of our Members, so long as the requests are reasonable and are intended to clear the air, I shall certainly give way or allow Members to give way to clear up any matters that may be necessary. So I take it, Mr Speaker, that I have your permission to read my statement.

SUSPENSION OF STANDING ORDERS

MR SPEAKER:

Yes, but perhaps you might wish to move the suspension of Standing Order No. 19.

HON CHIEF MINISTER:

Well, I am coming to that in a minute. As the House knows, we have been engaged in the most intensive consultations with the British Government for the past few weeks. I have been to see the Prime Minister twice. I have held a separate meeting with the Foreign and Commonwealth Secretary. I have held a long meeting with Baroness Young, Minister of State at the Foreign and Commonwealth Office, responsible for Gibraltar, Mr Timothy Raison, Minister of State for Overseas Development, Mr Ian Stewart, Under-Secretary of State for Defence Procurement, Mr Ray Whitney, Under-Secretary of State at the Foreign and Commonwealth Office, and numerous officials of the United Kingdom ministries involved. I have held two meetings with Mr Stewart and UK officials in Gibraltar. There have been exchanges by letters and telegrams during this period. Paragraph 5 of the resolution passed in this House on 22 February committed the Government to full consultation with all the political parties represented in this house before any final decision was taken on the commercialisation of the Dockyard. I am now in a position to bring a motion before this House on this matter and I accordingly beg to move the suspension of Standing Order 19 to enable me to propose the motion without the notice normally required.

Mr Speaker then put the question which was resolved in the affirmative and Standing Order 19 was accordingly suspended.

MOTIONS

HON CHIEF MINISTER:

I now beg to move in the terms of the motion standing in my name which is: "That: This House resolves that the offer by Her Majesty's Government to provide assistance for the establishment of a ship repair yard in place of the Naval Dockyard at Gibraltar be accepted and that the necessary measures to establish such ship repair yard be taken accordingly."

Later in my speech I will go into the details of the outcome of the meetings and exchanges we have held. The first thing I want to say and I have to say it as clearly as possible because that is the message that has come through all the way and that is that the closure of the Naval Dockyard cannot be averted.

I know that there are some in parliament who disagree with the policy of the Ministry of Defence in regard to the Naval Dockyards in Britain and in Gibraltar and in regard to defence policy generally. Nevertheless, decisions of these matters have been taken and every politician in this House will recognise the reality of a parliamentary majority of 144 or 147 which will ensure that those decisions are implemented. I do not agree with those who think that by going to our friends in parliament we would have succeeded in having the decision changed.

In reality, the fact of life which we have had to face, is that, however much we may all regret it, and I am the first to regret it, the Naval Dockyard will close. The Naval Dockyard at Chatham has already virtually closed, with a loss of several thousand jobs, and there was nothing anybody could do about that.

I hope that the House will agree on this basic fact of the inevitability of the closure, I hope that the House will also accept that everything possible has been done by the Gibraltar Government to argue against closure but, having been told twice, at the highest possible level in Britain, that there is absolutely no possibility of keeping the Naval Dockyard open, I hope the House will also accept, when I have finished my statement, that the package of assistance which we have obtained from Her Majesty's Government and which will accompany the closure of the Dockyard is a good package and an earnest, first of all, of the total and unmistakable commitment of the British Government, the British Parliament and the British Nation as a whole, to the protection and defence of the people of Gibraltar and, secondly, of the efforts which Gibraltar Government Ministers have made in order to secure that package.

Let me remind the House, first of all, that the Ministry of Defence originally planned to close the Naval Dockyard on 31 March 1983, four months ago. At that time, the whole of Gibraltar, as has happened on other occasions in the last twenty very difficult years, became united. The political parties represented in this House and the representative bodies, including the Chamber of Commerce and the Gibraltar Trades Council, signed a memorandum to the British Government, the message of which was to seek the British Government's agreement to the avoidance of the 'damaging hiatus' which would occur if the Naval Dockyard were to close before some alternative was found.

The signatories of that memorandum will recall that what they put their names to was a request for time so that the necessary investigations and consultations could proceed on the possibility of finding an alternative.

The British Government accepted and granted the request for time. The target date for closure of the Naval Dockyard was changed to 31 December 1983. Closure in 1983 was important to the British Government; for their own reasons. The latest statement on the defence estimates presented to Parliament very recently states, and I quote: "The Gibraltar Dockyard is to close later this year and we are engaged in discussions with the Government of Gibraltar about the possibility of the Dockyard subsequently coming under commercial management."

On 30 June, accompanied by the Minister for Economic Development and Trade, and after the meetings with the Foreign and Commonwealth Secretary and the other Ministers and Officials to which I have referred, I saw the Prime Minister.

I want, first of all, to inform the House, quite apart from the Dockyard and related issues, of the message of warmth and total commitment to Gibraltar and its people which came across, in the clearest terms, at my meetings with Mrs Thatcher. This will be no surprise to the House. As will be seen as I proceed with my speech, the statements of support we have received are not mere words. As I give the details of the outcome of our negotiations, the House, and Gibraltar as a whole, will see that the British Government is putting its money where its mouth is, to an extent which, even in the light of the substantial aid we have received in the past, is unprecedented.

I hope this House will share the view I have consistently expressed over a period of twenty very difficult years that the British Government is solidly behind us. I have stuck my neck out, in the past, on this belief. I am sticking my neck out, more than ever before, on this question of commercialisation and related issues. I will stand or fall by them.

I may well be asked why, on this particular occasion, I did not attempt to rally all concerned in Gibraltar with a view to unity in the face of the problems ahead of us. The answer to this is that I felt that my colleagues and I had a responsibility, as a Government, to go into the whole matter thoroughly first with the British Government to assess what might be achieved. We have done so and, as the House will see, we have achieved a very considerable amount. There were times during the negotiations when, in spite of the obvious goodwill which undoubtedly exists on the part of the British Government, both the British Government and ourselves, because of our different constraints and our differences of approach in certain respects, looked over the brink of the precipice, a precipice over which neither side would have wished to fall.

It is a matter of relief, to both of us, I am sure, that we have avoided the precipice and it is the considered view of my colleagues and myself that the deal we have been able to make with the British Government is not only the best achievable but also a good one in itself. As I make this statement today, an announcement is being made simultaneously in the House of Commons and the House of Lords outlining the outcome of our negotiations. There, of course, they will not be giving the extent of details that we are giving now because they are only making a statement and not moving a motion. That outcome will be seen by many in parliament, and indeed in Britain as a whole, as a generous one. The House does not need reminding of the current situation in Britain. Chatham and many industries have closed down or contracted and no alternative has been provided by the British Government. Millions are unemployed in Britain and in many other countries. Against that sort of background, outsiders, and not only those hostile to Gibraltar, will, as I say, regard the outcome of our negotiations as generous, whatever some people in Gibraltar might think.

My colleagues and I now throw our full weight behind the arrangements we have agreed with the British Government and we earnestly and sincerely call on Gibraltar for unity in pursuing these to a successful conclusion, a conclusion which I am certain we can achieve if we unite but which will be frustrated, with all the dire and grievous consequences which will then undoubtedly ensue, if any of us, on either side of the House, or in any sector of public life in Gibraltar, were to place party, political or any other interest above the good of Gibraltar as a community for which we have fought so hard and so long.

I can now tell the House that one of the results of my meetings with Mrs Thatcher is that Her Majesty's Government will not now close the Dockyard at the end of this year but at the end of 1984, until which date it will continue to be run and managed by the Ministry of Defence. This 12-months' deferment was obtained only at the end of the most strenuous and difficult negotiation and after taking the matter to the highest level in Britain. The present

Government in Britain is not one which, having made a decision, lightly changes its mind. That the decision to close the Dockyard on the 31st December this year should have been changed and a full year's extension granted, particularly against the background of closures and other severe measures in Britain which have gone ahead inexorably, is a measure of the British Government's understanding of our problems and, if I may say so, of the determination and perseverance of Gibraltar Government Ministers.

The year's deferment came about as a result of the personal intervention of the Prime Minister after I myself had gone to No. 10 Downing Street and put the problem to her. I should like to take this opportunity to thank her publicly for it. In doing so, however, I must also make it clear that we have achieved the maximum possible deferment of the date for closing the Naval Dockyard and that, in our view, no further deferment is possible. It is accordingly also our view that we should now, in the closest cooperation with the British Government Departments concerned and with the commercial operator, Messrs A & P Appledore, put our best efforts towards preparing Gibraltar for a commercial ship repair yard and ensuring that it succeeds for the benefit of those who will be employed there and of Gibraltar as a whole.

Once I have set out some of the more important points relating to the conversion of the Dockyard and its role, I will announce the second major breakthrough in our negotiations with the British Government.

It is, I believe, quite possible that the arrangements for the closure of the Naval Dockyard and its substitution by a commercially operated yard are not fully understood. I will therefore do my best to explain these arrangements at least in broad outline. I would also say that it is my intention to distribute to the public at large soon after the meeting of this House, a leaflet which will summarise, in the briefest possible form, the implications for the individual worker, and for Gibraltar as a whole, of the closure of the Naval Dockyard and of the arrangement we have agreed in order to meet that contingency.

The first point I wish to make is that the preferred commercial operator, A & P Appledore, had requested £11 million worth of Naval work during the early years of commercialisation. One other major outcome of our negotiations with the British Government has been that this sum of £11 million has been increased to a sum of £14 million at current prices. This programme of assured naval work, notably on Royal Fleet Auxiliaries, will be provided during the first 3 years of commercial operation. This additional amount of work was offered personally by the Prime Minister at the first meeting I held with her on 30 June.

In addition, during each of the first three years, work will also be available on smaller Ministry of Defence craft, such as royal maritime auxiliary services harbour craft, to an approximate annual value of between half a million and one million pounds. Such work on smaller craft will continue beyond the 3-year period and for the foreseeable future at a level to be agreed in due course between the Ministry of Defence and the Gibraltar Ship Repair Company. The

Gibraltar Commercial Yard, when fully run in will be able to tender on a basis of full equality with United Kingdom yards for further work on royal fleet auxiliaries.

As has previously been announced, the Dockyard land and assets for the new commercial enterprise will be transferred to the Gibraltar Government free of charge and the Gibraltar Government will then lease them to the Gibraltar Ship Repair Company.

To support the establishment of the new commercial yard Her Majesty's Government have offered to contribute a total of up to £28 million to meet initial costs of conversion, working capital, and operating losses (if any) in the first two years of commercial operation. Agreement on new commercial work practices is essential if the yard is to succeed. Funds for the project will only be committed after satisfactory assurances have been obtained from the workforce on new working practices. Such funds will however be available as soon as these assurances are obtained and prior to closure of the Naval Dockyard. The flow of funds thereafter will depend on the maintenance of these working practices. I will revert to the question of working practices later.

We have agreed with the British Government that a state of redundancy will be declared in September this year. This does not mean that Dockyard employees will be made redundant then. What it means is that, once that state of redundancy is declared, any employee of the Dockyard who wishes to leave his employment will, subject, of course, to the requirements of the efficient running of the Dockyard, be able to ask for redundancy payments and leave.

At a later time, individual redundancy notices will begin to issue. Throughout the period up to vesting day, the Commercial Ship Repair Company, through its commercial manager, will be identifying individual workers whom they will wish to re-employ immediately after the 31st December 1984, when they take over the management of the Dockyard from the Ministry of Defence. By the actual date of transfer from naval to commercial management all employees should have been declared redundant. They will receive full redundancy payments which will be made in accordance with schemes in operation in Gibraltar, the terms of which are comparable with those in the United Kingdom. Those employees identified for immediate employment in the commercial yard and who have not been taken on in the transition period beginning now and ending in December 1984, will be immediately re-employed. Others earmarked for employment will be taken on as the commercial enterprise develops.

During the time leading up to the establishment of a commercial yard, A & P Appledore International Limited will continue to be engaged on a consultancy basis funded by the Overseas Development Administration so that preparations for commercialisation are not interrupted. It is envisaged that discussions between Appledore, as commercial managers designate, and the workforce should start as soon as possible.

It is our belief, once we accept the inevitability of the closure, that, given good management and marketing, given the necessary up-to-date equipment, and given the full cooperation of the workforce, a commercial dockyard can succeed. The commercial operators predict that, by the middle of the first year, if the dockyard is running well, they will be employing a total of some 750 and, assuming that the necessary levels of productivity are achieved, thus attracting the work to Gibraltar, they envisage employing just under 1300 by the end of 1988, that is to say, they expect to employ, by that date, a workforce larger than that employed in the Naval Dockyard today.

Nobody can be certain that these targets will be achieved by the dates stated and there is no doubt that, initially at least, Gibraltar's economy will be adversely affected. It is with this in mind that our second objective in the negotiations was to try and achieve the conditions under which other economic activity might be generated in Gibraltar. The first essential requirement for commercial development is land and the only way in which this requirement can be met is by asking the Ministry of Defence to release areas suitable for such development.

As the House knows, the current arrangements are that the Ministry of Defence must hand over to the Gibraltar Government such land and property as are no longer required for Defence purposes. I am able to announce, first, that we have negotiated with the British Government a new agreement on the question of land currently held by the Ministry of Defence. This will be formally ratified shortly and full details will then be made public. The two main new features of the agreement are that reclaimed land will in future be treated in the same way as natural land and that new arrangements for payment for land and property transferred, which will be considerably more beneficial to us will apply in future.

I am sure the House will recognise the importance of the advance we have made in this vital area.

But the terms of an agreement, by themselves, are not enough. It is necessary also that practical steps be taken to obtain the land to which those terms will apply.

The House will be glad to learn that we have taken two major steps forward in this respect. Those concerned on the British Government side in the negotiations will be the first to agree that these negotiations were as difficult as those over the deferment of closure of the Dockyard. The immediate result is that the British Government have agreed that the sites along Queensway which are currently occupied by the NAAFI Headquarters, the PSA main stores (including the maritime section), the Army Watermanship Training Centre and the Queensway Club will be released to the Gibraltar Government as soon as the Gibraltar Government are ready to proceed with their development and alternative facilities can be provided elsewhere. The sites I have mentioned comprise the whole area between the Technical College to the north and the north gate of the dockyard to the south. The House will agree with me that this is a most valuable and extensive prime waterfront site.

Instructions have already been given to the Government officials concerned to give the utmost priority to the work that needs to be done to finalise draft schemes for the development of these areas and to invite potential developers to consider them and, if they so wish, to put forward schemes of their own. Our objective is to place the Government in a state of readiness to proceed at as early a date as possible so that the land can be transferred and the development commence.

In the meantime, the Ministry of Defence, in consultation as may be necessary with the Gibraltar Government - I will refer to this again in a moment - will be considering how and where the facilities at present available to them at the Queensway sites can be reprovided. The House will note that the release of these sites falls outside the normal pattern, which is that land and property are transferred from the Ministry of Defence when they are surplus to defence requirements. These sites and the buildings on them are not surplus to defence requirements. They are in active use and will need to be reprovided elsewhere before they can be vacated. The cost of reproviding them will be very substantial and will run into several millions of pounds. The House will be glad to learn that that cost will be borne by the British Government.

The House will also appreciate that the building industry will benefit considerably from the work that will be generated not only in the commercial development of the Queensway sites but also in the re provisioning of the Ministry of Defence facilities. Indeed, it may very well be necessary, once the existing slack in the building industry has been taken up, to supplement the local capacity by bringing in firms from Britain.

I turn now to another site of very considerable development potential which the British Government has also agreed to hand over to the Gibraltar Government as a result of our negotiations. I refer to the Rosia Bay area. The agreement that has been reached is that, if there are development projects involving the area from Engineer Battery along the shore to Rosia Bay and west of Nuffield Pool, Her Majesty's Government would be prepared -

- (a) To hand over Rosia Mole and adjacent areas of the bay and to provide continuous access along the littoral west of Nuffield Pool when work on the relevant development is ready to proceed; and
- (b) To consider handing over the other areas of land between Engineer Battery and the Nuffield Pool.

Fortress headquarters and its associated facilities would be excluded from the areas which might be considered for handover.

The Instructions which have been given to officials to give top priority to the preparatory work connected with the Queensway sites extend to the Rosia Bay area as well.

In addition to the agreement to release the sites I have referred to, the British Government have undertaken to look further at their long term property requirements for essential defence purposes to see what other sites might in the future be released to the Gibraltar Government. This review, however, cannot be completed

until the Ministry of Defence have had sufficient time to assimilate fully into their planning the effects of the concentration of the naval base and the release of the Queensway and Rosia sites. The British Government have given us an assurance that they will not unduly delay the provision of alternative facilities so as not to frustrate any development of the Queensway and Rosia areas. We for our part are carrying out our own land use survey, which we expect to complete by October 1983.

We have made one more, very significant, step forward in relation to land. At the moment, the existing administrative machinery consists of three bodies. First of all, there is the Development and Planning Commission, a body which includes some representation of the services departments and of the PSA/DOE, but not at the highest level. Secondly, there is the Land Board, a body which deals with, and advises on, the allocation of land, if and when land becomes available, to the private sector. Thirdly, there is the Forward Planning Committee which deals with development programme.

It is our view that there should be superimposed upon these three bodies a new committee, at a higher level, which will deal with this all-important question of the future use of land in Gibraltar. Land in Gibraltar is not only a very scarce economic commodity, it is, apart from our entrepreneurial skills and our wits, as a people, the only economic commodity we have. It follows that we must make the best possible use of every inch of land in Gibraltar.

Let me straight away say at this point, as a digression, but an important one, that it must be made absolutely clear to all concerned that the Gibraltar Government places the greatest importance on the continuation of the services presence in Gibraltar, of the Naval Base, the Army presence and the presence of the Royal Air Force. I made the Gibraltar Government's position on these issues very clear when I proposed the motion which was passed in this House on 22 February this year.

There are two levels to this. The first is what one might describe as the policy or strategic level. That, I think, is already clearly understood. At least, our position on it was made plain in February. The other level is what one might almost call the personal level.

I think one can say, with some satisfaction, that, owing on the one hand, to the heads of services in Gibraltar, and to all those expatriates who work under them, and, on the other hand, if I may say so, to ourselves as well, services/civilian relationships in Gibraltar are excellent.

We are now entering a new era. On the one hand, and for reasons of major defence policy, the activity of the services in Gibraltar is contracting, notably in respect of the Naval Dockyard. This has happened before. I remember that, when the withdrawal of 224 Squadron was announced in the sixties, we all thought it was the beginning of the end. We survived that - as we survived other defence cuts over the years.

We in Gibraltar welcome the presence of the services - and not only for economic reasons but also because we too belong, in our own small way, to the Western Alliance.

It may be that the British Government's decision to transfer certain areas in Queensway and Rosia to the Gibraltar Government will cause concern and regret in services circles. We too regret this. But it cannot be possible for Britain to withdraw from the Dockyard, the main economic base of Gibraltar, which has served Britain so well and for so long and, at the same time, to hold on to prime areas of possible development which could offset at least some of the effects of Britain's withdrawal. We must be given a fair opportunity of developing our own economy.

It is our own very sincere hope that our position in these matters will be fully understood and appreciated by the heads of services and their respective staffs. We hope they will understand that Gibraltar is fighting for its survival - a British survival. We hope, accordingly, that services/civilian relationships will continue, as in the past, to be excellent. If the services are being called upon to make some sacrifices, so are we. The personnel of the services spend two or three years in Gibraltar, for us, it is our whole future that is at stake.

I referred just now to a new consultative body to be superimposed on our existing planning machinery and I said that this was a very significant step forward. The actual composition of the consultative body and its terms of reference have still to be worked out and agreed in detail. The broad intention, however, as I have already indicated, is that the two major land-holding authorities in Gibraltar, ie the Ministry of Defence and the Gibraltar Government, should work together, in the closest possible consultation and, hopefully, in the best spirit of mutual understanding of each other's needs, to ensure that every single inch of Gibraltar land is used to the greatest mutual benefit.

To expand slightly on this point, what the British and Gibraltar Governments have agreed on in principle, subject, as I say, to actual terms of reference, is that, for the first time, we will be in very close touch on every aspect of land use in Gibraltar. Our own land use survey, to which I referred earlier, will be matched, in this new consultative body, with Ministry of Defence land requirements. Our own local knowledge, town planning expertise and our plans for commercial development will be injected into the deliberations of the consultative committee. The service departments will thus be able, better than before, to understand our aims and objectives. We, for our part, will also be better able to understand their constraints and their requirements, together, I am certain, we shall achieve the true British compromise.

Sir, I referred earlier to the offer made by the British Government to contribute up to £28 million to meet the initial costs of conversion of the Dockyard and other costs and I said that the funds for the project will only be committed after satisfactory assurances have been obtained from the workforce on new working practices. The funds will begin to be made available as soon as these assurances have been obtained and before the Naval Dockyard closes. The conversion work can then begin. While it was essential for us to obtain a year's deferment of closure, it is also important that, once the decision to commercialise is made, the necessary steps to that end are taken with all possible speed so that the new enterprise can begin to operate and take its share of the ship-repair

market at the earliest possible date. The sooner this can be done, the sooner it will be possible to build up employment in the dockyard to the levels which Appledore have set as their target and which, as I said earlier, could eventually exceed the existing levels in the Naval Dockyard.

I am sure it will be recognised by all concerned that the success of the new commercial enterprise, the achievement, once more, of the full employment we have enjoyed in the past, and the re-establishment of our economy on a firm and secure footing depend, from now on, and as never before, on the Gibraltarian people as a whole and on the management and workforce of the future commercial yard in particular.

We in the Government have done all in our power to achieve the best starting off point for the future. The critical issue now is the agreement of the workforce to the sort of working practices without which the commercial venture will assuredly fail. Such failure would mean the collapse of the Gibraltar economy and would bring about the degrading situation of budgetary aid from the UK with all its political and social consequences. We would then have a much lower standard of living and of social services than we enjoy at present, our finances would be controlled at the whim of the British Government, we would be living on the charity of the British taxpayer and would forfeit the higher standard which is now available and potentially within our grasp for the future. I cannot believe that any Gibraltarian would wish to see this happen.

I understand and respect, of course, the stand which has so far been taken by the trade unions here that, if commercialisation must happen, then it should only happen if there is no loss of jobs and no worsening of pay levels and existing conditions of service. With respect, that is unrealistic. Of course, if commercialisation proceeds, there must be changes. I would add, in parenthesis, that if commercialisation does not proceed, and in the knowledge that the Naval Dockyard is going to close anyway, the changes which would then ensue would be immeasurably worse, not only for the workers directly concerned but for the whole of Gibraltar.

This places a tremendous responsibility on the leaders of the trade unions in Gibraltar and on each individual worker. I urge those leaders and those individuals to reflect deeply on this matter. In a very real sense, the future of Gibraltar depends on their decision.

I said just now that changes are inevitable. The first of these will be growing unemployment, a disease already an epidemic in Europe and elsewhere. The Government has been carrying out, in consultation with the trade unions, and because of the unemployment which already exists in Gibraltar, a review of its employment policy in the civil service and more generally. This review will continue. Its objective is to achieve social justice and to ensure that the employment available is shared fairly. I am sure the Government can count on the full cooperation of the unions in this respect because the sole intention is to protect those members of our community who, temporarily at least, will be in difficulty.

The projections of future employment in a commercial dockyard are a matter of judgement on which the experts differ. Whether the most favourable projections can be achieved depends not merely on the market but on the efforts of management and workers.

The second inevitable change will be in work practices. This is a matter for discussion and agreement between the commercial operator and the workforce and its representatives. Though it is not a matter for the Government, we are of course ready, with our knowledge of local conditions and of our own people, to use our good offices to assist in the discussions if both sides wish us to do so.

I do not think the workforce need to be too apprehensive about the changes in work practices and conditions which must come if we are to succeed. These changes must be real enough to make us competitive but I am certain that they will not be so severe as to make them unacceptable. It is our wish that the best possible relations be established between Appledore and the workforce and I believe that the two sides will do everything in their power to understand each other's requirements and constraints. As I have said, we stand ready to assist if asked, both at political and civil service levels.

I would add just one more point on this subject. That is, that the sooner the discussions between Appledore as the future managers, and the workforce can begin, the better. Nothing can move until those discussions have been satisfactorily completed.

I have said that an enormous responsibility lies with management, trade unions and the workforce. But it lies also with all of us. There are two major aspects to this.

The first is a matter of responsibility for the Government. It is up to us as ministers, and to the civil service, to ensure that we achieve the greatest possible efficiency and sense of urgency in exploiting the opportunities for diversification of the economy which are now available to us and which we have the highest moral duty to pursue as a necessary complement to the efforts which the Dockyard workers are being called upon to make.

These opportunities consist, first, of the commercial development of the sites now made available and, secondly, of a much more intense effort in the promotion of tourism. The Government pledge themselves to give these the utmost attention and priority.

The second major responsibility for the defence and strengthening of the economy lies with each individual Gibraltarian.

In December, 1982, I welcomed the partial opening of the frontier, for humanitarian reasons, as a step in the right direction. At that time the British Foreign Secretary and the Spanish Foreign Minister had agreed to meet in the spring with a view to the implementation of the Lisbon Agreement. It was the Gibraltar Government's view that the economic consequences of the restrictive and discriminatory nature of the partial opening of the frontier would not be serious during the short period before this fourth Spanish commitment to honour the Lisbon Agreement.

It became clear, following the Spanish Foreign Minister's talks in London on 17 and 18 March, that the prospects of the implementation of the Lisbon Agreement had receded further than ever. A few days later, on 22 March, in the light of the new situation, I made a statement in the House of Assembly in which I advised against the expenditure of large amount of money in Spain. Though it seemed at first as if it made people think more about the matter, that advice, by and large, has remained unheeded. The extent and frequency of visits to Spain by Gibraltarians continue to be excessive and severely damaging.

The public is entitled to know the consequences of not taking that advice. These are estimated to be (in a full year):

Loss in national income	- £5 million
Loss to Government revenues	- £2 million
Potential loss of job opportunities	- 300

As I said in my statement on 22 March, this is a free society. The people of Gibraltar are free to undermine their own economy if they so wish.

The Government, in consultation with the other political parties in the House of Assembly, the Chamber of Commerce and the Gibraltar Trades Council, have carefully examined possible counter-measures. The Government have concluded, hitherto, that no measures should be taken which might be seen as curtailing the liberty of the individual or imposing unpleasant restrictions. The Government hope that their previous advice will be heeded and that it will not become necessary to take unpalatable decisions.

The real remedy lies in the hands of the Gibraltarian individual. I repeat the advice which I gave on 22 March. I repeat it most strongly. Short-term personal benefit will inevitably lead to longer-term economic difficulty for the community as a whole. I am not overstating the problem when I say that it has now become a matter of patriotism.

I must make particular mention, in this context, of the special responsibility which lies with Gibraltar's trading community. I appreciate and understand their difficulties, but if the consumer at large, which of course includes traders themselves, are to show restraint in spending in Spain, the trading community as a whole has to take this into account in their pricing policies. Otherwise, there will result the most vicious spiral.

Sir, I have spoken at some length but it seemed to me that the occasion called for this. I would not, however, wish sight of the wood to be lost for the trees. I want therefore to summarise briefly the main elements in the agreement we have reached with the British Government and the principal points I have made about the way in which, as I see it, all of us in Gibraltar should face up to the immediate future.

I summarise as follows:

1. We have achieved a year's postponement of the closure of the Naval Dockyard. But that closure is inevitable and no further postponement is possible.
2. The amount of naval work to be made available in the first 3 years will be £14 million on royal fleet auxiliaries with an additional amount of between half a million and a million per annum on an on-going basis.
3. The Gibraltar yard, when ready, will be able to tender for naval work in the future on the same terms as UK yards.
4. The dockyard land and assets required for the commercial yard will be handed over to the Gibraltar Government free of charge.
5. Her Majesty's Government will contribute a total of up to £28 million to meet initial costs of conversion and other costs.
6. Agreement between the operator and the workforce on new work practices in order to achieve commercial competitiveness is essential.
7. The funds allotted to the project will only become available when agreement on work practices, which should be reached as soon as possible, has been achieved.
8. A state of redundancy will be declared in September. Voluntary redundancy will be possible in appropriate cases. Individual redundancy notices will be issued during the subsequent period as appropriate.
9. Redundancy payments will be comparable with those in the UK.
10. Management of the Dockyard until 31 December 1984 will continue under the Ministry of Defence. There will then be a clean break and the commercial operator will then take over.
11. The commercial operator will, during the transition period, and subsequently, select those workers who will be employed in the commercial yard.
12. We have negotiated with the British Government a new agreement on the question of land surplus to defence requirements.
13. The British Government have agreed to transfer prime development areas at Queensway and Rosia.
14. The reprovisioning costs of the facilities in these areas, amounting to several millions, will be borne by the British Government.

15. The Government will give utmost priority to work connected with the development of these areas and will pay particular attention to the development of tourism.
16. A new MOD/Gibraltar Government joint consultative body will be set up to deal with policy issues relating to land.
17. The Gibraltar Government look forward to the continuation of the excellent relationship which exists between the services and the civilian community.
18. Everyone in Gibraltar - the workforce, the trading community, individual Gibraltarians, the commercial operator, the civil service - is called on to make a very special effort to preserve and strengthen the economy.
19. Excessive expenditure in Spain has now become a matter of patriotism.
20. Employment policy is being reviewed in consultation with the unions.

Sir, this House is concerned, in debating the Motion I have proposed, with one of the most serious and important matters it has ever been called upon to consider. I am confident that, in the interests of Gibraltar as a whole, all Hon members will reflect most carefully on what I have had to say. I beg to move.

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

HON P J ISOLA:

The Hon Chief Minister referred to an agreement in his summary between the Gibraltar Government and Her Majesty's Government and he has also told us that the Prime Minister or somebody would be making a statement today at 4.30 in the House of Commons. Does the Chief Minister consider that this is the process of fulfillment of a motion that was amended on the 22nd February when he said that full consultations should take place between all the political parties represented in the House of Assembly before a final decision was made on the commercialisation of the Dockyard? Is he not in fact presenting us with a fait accompli? An agreement has been made, he has got a majority, and no consultations have taken place between the political parties represented in the House as resolved in that motion.

HON CHIEF MINISTER:

I think the answer to that is quite simple, Mr Speaker. I have not signed an agreement with the British Government on the terms that I have spoken, I have made the reservation that I am subject to the House accepting the terms of the agreement and that is why I am moving a motion in the House.

HON P J ISOLA:

I won't pursue that. I will say something about that in my address, Mr Speaker, but it seems to me a very odd way of proceeding. The Hon Chief Minister has summarised the amount of aid or what is involved. Am I right in thinking that under the £28m he has referred to, which the British Government is going to put into the Dockyard and which was referred to by the Prime Minister about three weeks ago in an answer she gave in the House of Commons, were included £11m of naval work. He has now mentioned £28m and £14m, am I to understand that naval work now goes up from £11m to £14m or is it £26m in which there is £11m of naval work and there is also an additional £14m?

HON CHIEF MINISTER:

No, there were two figures in the statement or in the understanding. £28m was for the carrying out of repairs, on the starting off, getting it into practice and bearing the losses of the two first years of operation. The £11m was promised naval work irrespective of the £28m for the initial three years. That figure has now been upped by £3m, at present day prices, which was not indicated in the original £11m; up to £14m worth of work during the first three years of the operation.

HON P J ISOLA:

So that as I see the position in financial terms, as far as the Naval Dockyard is concerned, what has been achieved since the announcement and how it is proposed to be done has been an extra £3m of public money from the United Kingdom going into naval repair work and deferment for a year, is that correct?

HON CHIEF MINISTER:

In respect of the Dockyard alone: £3m more of work, apart from the small craft, and one full year of full naval operations during 1984. This on its own we would not have accepted as justifying our supporting commercialisation, and that is why we drew a broader outline of other areas on which we needed to support the economy and demanded the price that we have been able to obtain.

HON P J ISOLA:

I am sorry to ask so many questions, it is just a question of clarification. The other point is, as far as development aid is concerned, that there has been no increase in the figure apart from the handing over of land that the Hon and Learned Chief Minister has referred to, is that correct?

HON CHIEF MINISTER:

Development aid has been oblivious to this. It was originally presented by the British Government as being part of what they

called 'the Dockyard package'. We said that the £13m of development aid in the present programme had nothing whatever to do with the Dockyard, that that had been committed - and they had taken long enough to give us that money - before the question of the closure of the Dockyard ever arose and therefore one thing had really nothing to do with the other. The £13m of development aid is something which was given to us in respect of the support and sustain policy on the Spanish restrictions.

HON P J ISOLA:

But then equally, I suppose, the handing over of land in Queensway and so forth has nothing to do with the Dockyard's commercialisation either?

HON CHIEF MINISTER:

It hasn't got anything to do with commercialisation but it has to us made it possible to accept the inevitable, which was commercialisation, because it was the granting of prime sites for development, the economic activity of which will make up for the difference between the present spending and the possible future limited spending in commercial yards in certain circumstances. That is why it is all one package. We would not have accepted one without the other. The £3m were offered at the first meeting with the Prime Minister but we were far from agreement in other areas at that meeting. This was the subject of further consultations, namely handing over, free, of all the littorals from the Dockyard to the Camber, which is being used now, and the British Government re-provisioning elsewhere to allow that land to be developed for the benefit of Gibraltar.

HON P J ISOLA:

Just one last question, if I may. Could I ask the Hon and Learned Chief Minister, at what time did the Government form the view that the closure of the Naval Dockyard was inevitable and irreversible and that there was no future in making an attempt at an appeal to Parliament with possibly the same chance of success as in the British Nationality campaign?

HON CHIEF MINISTER:

It is terribly difficult to put an exact date. This has been a growing process. Some of us had the feeling that it was inevitable and I think the letters that have been answered by Ministers to individual MPs who have written and so on make it clear. The fact is that they have no more need for it, as they said, and it was a matter of judgement whether they would close it or not. Our judgement is that they were going to close it anyhow and therefore we wanted to make the best deal possible and give the essence of the requests contained in the memorandum a period of transition to be able to absorb the shock and also obtain other aid in respect of land and so on, that would make it possible to soften the blow that would have to come anyhow.

HON A J HAYNES:

Does the Chief Minister consider that no other negotiating body would have been able to extract

MR SPEAKER:

No, I will not allow that question. You are not clarifying anything on the statement.

HON J BOSSANO:

Mr Speaker, I don't want to clarify anything in the statement, I want to speak on the motion.

MR SPEAKER:

Well, that will come in due course.

HON J BOSSANO:

But I want to do it now.

MR SPEAKER:

No, you cannot.

HON J BOSSANO:

Why not?

MR SPEAKER:

I beg your pardon, perhaps I will explain. A wish had been expressed by the Opposition, which I thought you concurred with, that they needed time to consider the Chief Minister's address on the motion before they could reply. If you still wish to take the opportunity now, I beg your pardon, there is no reason why you should not but I would have felt that you wanted time to consider and study the statement before.

HON CHIEF MINISTER:

I didn't want to be accused of wanting to bulldoze the motion.

HON J BOSSANO:

Is the Hon Member saying that the motion in fact, under the agreement or whatever it is he has got with the British Government, will not be implemented unless he has a unanimous vote in the House?

HON CHIEF MINISTER:

No, no.

HON J BOSSANO:

No, he is not saying that. So then it does not make any difference if I vote against now, or in a month's time. He will still do it, am I right?

HON CHIEF MINISTER:

We are not taking the vote today anyhow because fourteen Members may wish to take part. I don't think we would finish even if we stayed overnight. I did not want to be accused of proposing a motion of a serious nature on which Members might say that they were not ready. If the Hon Member is ready, perhaps he was ready before listening to me but that does not matter,...

HON J BOSSANO:

Mr Speaker, I was ready

MR SPEAKER:

Perhaps I will interrupt you at this stage to ask whether there are any other questions for the purpose of clarification that the Hon Members from the Opposition wish to ask? There are not any questions I see.

HON J BOSSANO:

Let me say, Mr Speaker, that the motion before the House is: "That this House resolves that the offer by Her Majesty's Government to provide assistance for the establishment of a ship repair yard in place of the Naval Dockyard at Gibraltar be accepted and that the necessary measures to establish such a ship repair yard be taken accordingly", and that that offer has been known to this House for a considerable amount of time. The offer is not what the motion is, which is what I am going to be voting on, obviously I am not going to be voting on Rosia or

HON CHIEF MINISTER:

No, let us get this thing right in order that we do not have unnecessary crossing of words. Let us get this thing right. By the nature of the resolution of the 22nd February I have to bring the motion in the terms on which I have done it but I would not have brought the motion if I had not had the other things tied to the motion. I respect the Hon Member's views on this matter but I want to make it quite clear that he cannot, he may if he wants to, but it would be idle to try and limit himself to the wording of the motion and not deal with the rest, because without the package I would not have brought the motion. So long as that is clear it does not matter.

HON J BOSSANO:

Perhaps the Hon and Learned Member will clear one thing for me. It does not follow from that, I take it, that if commercialisation does not in fact materialise he won't get Rosia or the NAAFI or Queensway, does it?

HON CHIEF MINISTER:

I think it follows, yes it follows, it is a package.

HON J BOSSANO:

Well, certainly, Mr Speaker, that means that this House is voting on an offer where the right to our land is now conditioned on whether the workers in the Dockyard accept totally unacceptable work practices which haven't even been spelt out to them. That means that the workers in the Dockyard, Mr Speaker, are having a pistol put to their heads and not only are they being threatened with unemployment and economic ruin for Gibraltar, but they are being told that the right of the Gibraltarians to the Queensway seafront depends on them accepting Applecore. Well, then I think, Mr Speaker, that if nothing else was required to convince me to vote against this motion, that in itself would be sufficient. Let me say that I did not intend to speak on that part of the statement made by the Hon and Learned the Chief Minister because, as far as I was concerned, the fact that that area has been handed over to the Gibraltar Government is not something on which I would quarrel. Although I must question whether it reflects such great generosity on the part of the British Government, since I already believe that the whole of Gibraltar belongs to us, Mr Speaker. But, I see that it is in any case conditioned to alternative sites being found for the facilities that are there and users being found for the places that are left vacant. I think it is worthy of note that the Command Education Centre, which was handed a considerable time ago to the Government of Gibraltar, still hasn't found a user. So that, in fact, we may be handed white elephants to add to the long list of white elephants we have inherited over the past. Nevertheless the principle that the land should be handed to the people of Gibraltar, to whom it really belongs, is one that I would not wish to quarrel with. So I will concentrate on what is really important. Is there anything in this,

Mr Speaker, that changes the assessment that the House, the workers in the Dockyard and the people of Gibraltar have got to make as to whether, because the British Government has decided that they no longer have a further use for their naval yard, it necessarily follows that we have to swallow a private ship repair yard which they have been trying to ram down our throats for two years, because they sweeten the pill with enough sugar to make it go down our gullets more easily. Well, I can tell the House, Mr Speaker, that, as far as the GSLP is concerned, we will oppose the commercialisation of the Dockyard today as we did initially and we see nothing in the terms that the Government of Gibraltar has brought back to make us think that its chances of success are any greater now than they were when PEIDA studied the matter, when Appledore produced its proposals, when Coopers and Lybrand and A R Belch Associates produced their report or when Mr Michael Kingsley, whose report was financed by the taxpayer of Gibraltar, produced his. Let me tell the House, Mr Speaker, that I was shown that report today at one o'clock and I was told that I could not quote from it and that I could not make any part public because it was top secret.

The report belongs to the people of Gibraltar who paid for it. I was told that the reasons for not being able to quote from it, Mr Speaker, were: (a) that it was commercial in confidence - and I read it through and there is no reference to any firm of any declaration of interest of any firm that could be damaged by the publication of that report, in my judgement, and if there is I would like to be shown where it is - (b) that it contained material which could be detrimental to our interests because it might be made use of by Spain. As far as I know, I have been told in the street this morning that in Spain they already knew yesterday what I have just found out ten minutes ago here. So I do not think, Mr Speaker, that that is true either and I think that these red herrings are brought out whenever information is being kept under wrap. I don't really think that it is fair to the public of Gibraltar to expect this House of Assembly to have to debate a matter if we cannot quote reports which have been made available for us. If I say that I am voting against this motion because of something that the consultant, which we paid £20,000 for, has said, I cannot say it because it is confidential. So it is my word against anybody else's word and I don't think the fact that I am here in this House of Assembly at a maximum until February, well before the Dockyard closes and well before the commercial Dockyard starts, gives me a right to privileged information and to decide. I am convinced that any person reading that report will come to the conclusion that in fact the Chief Minister, simply on the basis of that report, should have gone back to the British Government and said: "We have got a report now that says that this will not work". Perhaps he can confirm that the report says that it doesn't work, or does one break confidentiality by saying just that? The report does say that, Mr Speaker. In fact I can tell the Member that having looked at the report this afternoon, at one o'clock as I said, and after reading the report's gloomy analysis of the prospects of success of Appledore, I can tell the Member and I can tell the House that there is a fundamental error in the report which means that the position is even gloomier than the report says it is. It is an error which should have been picked up. There is a very important figure in that report from which a lot of other figures flow and that figure happens to be incorrect and the conclusion, which a very gloomy conclusion, is in

fact an over-optimistic one if one takes the accurate figure. Having said that, Mr Speaker, I can come back to the projections that Appledore made. The figure of £28m, Mr Speaker, is not new money that the British Government has suddenly given. It is, in fact, the figure that Appledore said was required, £28m. The Hon and Learned Member is mistaken. The £11m was never included in the £28m. The £11m was over and above the £28m.

HON CHIEF MINISTER:

I never said anything.

HON J BOSSANO:

No, the Hon and Learned Leader of the Opposition said that.

HON P J ISOLA:

I asked about it.

HON J BOSSANO:

Asked about it, yes. Well, I can tell the Hon Member it was never included. I can tell the Hon Member that, in fact, when the Chief Minister said today that they had put their position very forcefully to the British Government in that the £13m given under ODA had nothing to do with the Dockyard, I was glad to hear him say so because when in fact he defended the £13m last December, he defended it precisely on the grounds, and he made a statement in this House and said so on television, that it had to be taken against the background that we were getting £40m or up to £40m for the Dockyard's commercialisation. Well, that means that if the £40m had not been there the £13m was not enough or does it not mean that?

HON CHIEF MINISTER:

No, the Hon Member is so clever, he half-quotes and mis-quotes. What I said was that that was an indication of their help, that against that background they were giving the money that would come into the Dockyard. What I would not accept and what I made clear, that is why there is no mention of it in the statement or in the package, is that it should form part of a package in respect of the Dockyard when it had nothing to do with it.

HON J BOSSANO:

I am grateful for that clarification. It means, Mr Speaker, that although we may lose Queensway and Rosia he will not lose the £13m.

HON CHIEF MINISTER:

They are virtually spent now.

HON J BOSSANO:

I am glad to hear that. Well, then, Mr Speaker, we have a situation where, in December last year, the Hon Member came back from UK and announced that, on top of the £4m the Gibraltar Government had already been given, there was a promise of a further £9m and that this £13m had to be taken against the background of up to £40m available for commercialisation. In fact instead of being up to £40m we now have £41m or £42m.

HON CHIEF MINISTER:

If the Hon Member would give way. I am sorry but it will help. There is work which is not quantified here regarding money that has to be spent by the Ministry of Defence to reprovide the Naval Base in another place. That is not included in this figure.

HON J BOSSANO:

The reprovioning costs for areas that are released within the Dockyard, I take it, Mr Speaker, because it mentions separately the others. Well, that, in fact I think, was never included in the original provisions either. It was something that was left in the air. Coming to the real point, Mr Speaker, if this House is to resolve to accept this offer of assistance in setting up a commercial Dockyard in Gibraltar, should it be sufficient reason for the House, the fact that the Chief Minister has had to go to the highest level in UK, to the Prime Minister herself, to get that level of assistance, even if we ourselves are not convinced that the proposition will work. It seems to me that the Chief Minister has done nothing to persuade the House that commercialisation will work other than to say what Appledore said a year ago, that if everybody put his nose to the grindstone it could work. I think we need to say that the question of the rates of pay and the question of the level of productivity increases mentioned by all the consultants, are things that will need to be put to the work force. I think it is most unfair, Mr Speaker, the way this matter is being put. I am talking here as a politician not as a representative of the Trade Union Movement and the Trade Union Movement itself, in consultation with its members, who are the ones directly affected, will have to make up their own minds how to react to this proposal. I can see little here to produce any dramatic change of attitudes and I can tell the House that, as far as I am concerned, I find it totally incompatible with fundamental principles of trade unionism that we should have a situation where not only is the £26m with strings attached, which as a trade unionist I would find objectionable, but that, in fact, the release of land to the Government of Gibraltar has got the same strings attached. That is, if the unions refuse to cooperate with Appledore then the Government of Gibraltar will not get the land from the MOD. That is totally unacceptable politically, Mr Speaker. It is also unacceptable, I would have thought, to any body that has got a trade union background that Appledore should be given £28m provided they can deliver the goods in terms of changed work practices and really what do we have here? I will tell you what we have, Mr Speaker. We have a situation here, which I was told

once the unions wanted to do in this House, as taking a leaf out of a Spanish book. It seems to me the British Government is taking a leaf out of a Spanish book. The Spaniards often used to say, prior and post the Lisbon Agreement, that their understanding of the situation was that removal of restrictions would be conditional on progress in the negotiations. Here we have, that the release of the £28m will be conditional on progress in the negotiations between the unions and Appledore and that, in fact, even at the end of the day they will still be holding back, as it were, a retention fee so that if the agreements are there and are not complied with, I am quoting from the Hon and Learned Members statement, then the rest of the money may not be forthcoming. So that it will have to be not only the agreement to new work practices but the maintenance of new work practices. I read a report at one o'clock and it is nothing new, I knew about it before. Presumably, Mr Speaker, without breaking the oath of secrecy I had to take at one o'clock to read that report, for which I paid with my taxes, presumably I am allowed to quote where the report agrees with me because then I can say that I am quoting myself. So let me say, Mr Speaker, that it is well known that when one tries to introduce drastic changes irrespective of what arrangements may be signed, the people on the shop floor may simply back the horse and refuse to deliver. It happened in British Leyland, it happened in British Steel, it happened in many ship repair and many steel industries where dramatic changes have been sought. Therefore the situation is that, presumably, by making the behaviour of a small group of workers the link string upon which everything else depends, it must be thought that the pressure from the rest of the community will be so great on those people that those people will have to accept all the changes that nobody else is being required to accept, only the 300 or 400 in the Dockyard. I said before, Mr Speaker, that I was convinced that this would not work. I will devote the time and attention that the statement merits, Mr Speaker, in due course but I think we ought to get rid of all the extraneous matters for the purpose of this debate, like the frontier and patriotism and so on. I do read things very thoroughly and I have read every report that every consultant has written. Although, as far as I can see we might have saved a lot of money and consigned them all to the waste paper basket because this was a fait accompli before the whole thing started and it has not moved an inch. All that we are getting is window dressing. The paper in which the package is wrapped has been made more attractive. We have put a little bit of tinsel, we have put in a little bit of Christmas packaging but the package is the same package and the package is unacceptable to me politically and should be unacceptable to the people of Gibraltar and unacceptable to the leaders of people of Gibraltar because we are being made to carry a can for something that is not of our own making. The British Government has had Gibraltar for nothing for years, Mr Speaker. We should not fall over backwards, overwhelmed by their generosity in giving us our Dockyard back free of charge. We should be questioning why they have had it for 217 years free of charge. We shouldn't be saying to ourselves: "How wonderful they are, they are going to move their naval base from one end of the Rock to the other and they are going to pay for the move. They are not charging us for the move, fantastic". This is totally unacceptable, Mr Speaker, politically. I want to make it quite clear because I

believe that it is important in an issue as clearcut as this, to separate one's political objections and one's role in another field. As far as I am concerned, as a trade unionist, my advice to the Trade Union Movement must be that this thing must be put fairly and squarely, without window dressing one way or the other, in front of the people concerned. That has been my view all along, to let those people decide. I believe that it would be totally wrong to hold a pistol to these people's heads and say to them: "Look, on the one hand you have got this which implies a lot of things in the future and which has got a big unknown question mark. So it may succeed if you work very hard, if the ship repair market improves, if your productivity is ten times greater than those in Lisnav and all the rest of it. On the other hand there is total chaos, mass unemployment, you will be out of work, martial law in Gibraltar, the Dockyard closed, no alternative, they keep Rosia, they keep Queensway". Well, Mr Speaker, what sort of choice is that? We might as well have gone to the UK and said: "Tell us what it is we are supposed to ask for and we will sign for it?". I think, Mr Speaker, that the Hon and Learned Chief Minister has obviously tried to get as good a package as he could. I do not dispute that. I do not for one moment impute on him any motives other than to try the best that he thinks he can get for Gibraltar but I am telling him that, as far as I am concerned, the best that he has got is nowhere near good enough and politically he will not have my support.

MR SPEAKER:

Well, I would like to hear the feelings of the Hon the Leader of the Opposition.

HON P J ISOLA:

As I explained to you, Mr Speaker, it has been a long and detailed statement and we certainly would like to look at it very coldly, analyse it and then give our views and I think that we would prefer to recess.

MR SPEAKER:

It has been suggested that we should recess until tomorrow afternoon at 2.30. Would that be acceptable?

HON CHIEF MINISTER:

I suggest that, if it is possible, I would like it a little earlier and have an hour in the morning. I think, having regard to the benefit that the Hon Leader of the Opposition has had not only of hearing my statement but also the statement of the leader of the GSLP, I think maybe they need less time to consider it. Anyhow my preference would be for 12 o'clock but if it is absolutely necessary I am prepared to do it at 2.30 pm.

HON P J ISOLA:

I would like to start, Mr Speaker, at 3 pm. Let me tell you that the speech from my Hon Friend, Mr Bossano, was entirely predictable as almost, I would say, the statement of the Hon and Learned Chief Minister. However, we have considered a lot of reports, he has given a detailed statement and we would like to make a detailed reply, not purely a motion.

MR SPEAKER:

And what are you suggesting?

HON P J ISOLA:

3 o'clock tomorrow.

MR SPEAKER:

3 o'clock tomorrow afternoon.

HON CHIEF MINISTER:

2.30 pm.

MR SPEAKER:

Would 2.30 pm be acceptable?

HON P J ISOLA:

No, Mr Speaker, why should it be 2.30, why not 3 o'clock. The Hon and Learned

MR SPEAKER:

Order, you will sit down. Now you can stand up. I am asking you a simple question. Would 2.30 be acceptable?

HON P J ISOLA:

No, Mr Speaker, I would like 3 o'clock. Let me say one other thing, we would like to consider the full text of the statement that the Prime Minister, or whatever British Minister, has made today at 4.30. We would certainly like to see and examine that one because the Hon and Learned Chief Minister has given the Gibraltar Government's statement and he has given facts and so forth in support of the Gibraltar Government's statement. We are very interested in reading what the British Government has

said publicly in the House of Commons and in the House of Lords. I don't know whether that will be available to Members of this House by 2.30 tomorrow or 3 o'clock.

HON CHIEF MINISTER:

I hope it will be available either tonight or first thing tomorrow morning. The statement is, of course, considerably shorter because I have gone into the whole background. I have seen the statement. It only summarises what I have said but I am sure that we will have a copy of it first thing tomorrow morning together with the reactions in Parliament, perhaps.

HON P J ISOLA:

That is what I was thinking of. The statement and the reactions in Parliament. We are very interested in actually seeing that, Mr Speaker. The Hon and Learned Chief Minister has taken approximately five weeks, Mr Speaker, to increase the British Government offer by \$3m. I think it is not unreasonable to give the Opposition an extra half hour.

HON CHIEF MINISTER:

In view of that impertinent remark I do not agree.

MR SPEAKER:

Order, order. In fairness to all that has been said and in the light of the fact that the Opposition do agree that 2.30 would be acceptable I do not feel that half an hour is going to make any difference whatsoever so we will now recess until tomorrow afternoon at 3 o'clock.

The House recessed at 6.15 pm.

THURSDAY THE 28TH JULY, 1983

The House resumed at 3.05 pm.

MR SPEAKER:

I will remind the House that we are now on the debate on the motion moved by the Hon and Learned Chief Minister. I have proposed the motion and Mr Bossano has already spoken to it. Before I go any further, I feel I should explain that yesterday when we recessed I did say that we would recess until 3 o'clock, believe me, it was a slip of the tongue. I should have said 2.30 as Hon Members will recall that I said at the time that half an hour would not make any difference to the studying of reports.

HON CHIEF MINISTER:

If I may, I want to clarify two matters, one which is clarification of a question I was asked yesterday and another one which I think will help Hon Members in appreciating the situation. In the first place, I was asked by the Leader of the Opposition, yesterday, at what stage we had come to the conclusion that the Dockyard would close anyhow. I spoke to the fact that it had been seen coming as a result of Baroness Young's letters and so on. I would like to mention something I should have mentioned yesterday that, of course, the final coup to the matter was during my first meeting with the Prime Minister. That was the first thing I asked for and she said: "It is out of the question". That was at the highest level, directly, on my first meeting with the Prime Minister. There are two other points which are important. Hon Members may already have had the statement made by Mr Stewart and they will see that there is a paragraph there which unfortunately was omitted from my statement due to the hurry in which it was prepared. After all, we finished with the Prime Minister after 5 pm and the statement had to be available within 24 hours. Part of it was finished on the plane. The British Government's undertaking, given generally on this matter for the record, which should have been in my statement reads as follows: 'If there are any future difficulties for the Gibraltar economy Her Majesty's Government would be prepared, in line with the policy of supporting Gibraltar during the present border restrictions, to look at the whole economic and budgetary situation with a view to consider if whether and, if so, what further measures of support might be necessary or justifiable in the circumstances of the time'. That is the end of the paragraph. We considered this satisfactory because it was raised by me with the Prime Minister at the meeting held the day before yesterday. The other point I have to clarify which came up yesterday and which the Hon Mr Bossano may have misunderstood, with justification, but which I ought to clarify, is that the early transfer of the Queensway and Rosia sites is not conditional on acceptance of commercialisation. It is being offered to mitigate the effects of closure of the Dockyard, in recognition of the need to offer the economy a wider base to develop.

HON P J ISOLA:

Mr Speaker, I am sure the Hon and Learned Chief Minister will draw great comfort from your words about the mistake made yesterday but I don't know whether he will draw comfort from what we have to say. Mr Speaker, I did say yesterday

MR SPEAKER:

May I say that whether the Chief Minister draws comfort or not from the words that I said is not relevant in any manner or form. What is relevant is to inform the House of what my intentions were and nothing else.

HON A J CANEPA:

Mr Speaker, I don't know whether this speaker system is working as it usually is but we are finding it difficult to hear.

MR SPEAKER:

The Hon and Learned Leader of the Opposition has started his contribution by saying that perhaps the Chief Minister has drawn comfort from what I had to say about the recess yesterday afternoon but perhaps the Learned Chief Minister will not draw comfort from what he has to say now. By way of explanation, I have said what my intentions were yesterday afternoon. It was not said in order to give comfort to anyone but to state what my intentions were.

HON P J ISOLA:

That was only meant, Mr Speaker, by way of comment not as a contribution. I am just checking up, Mr Speaker, on what the Chief Minister has just said in answer to what my Hon Friend Mr Bossano said yesterday. I was just checking whether that is what he said yesterday, I don't know. If it isn't, Mr Speaker, let me say straight away, as you heard yesterday when I was asking that the House should recess until today, I did say that we in the Opposition wanted to analyse very closely what the Hon and Learned Chief Minister had said and we also wanted to see what was said in London and compare notes. Obviously this is a normal precaution we would take on a motion and on a subject so grave and so important for the future of Gibraltar. We did not fail to pick up the passage that the Hon and Learned Chief Minister has mentioned. We are frankly amazed, Mr Speaker, that if that was part of the agreement which the Chief Minister came to with the British Government, that it doesn't appear in the statement, in the very detailed statement, that he gave the House yesterday. He said that he would be enlarging on what was being said in London, in order to give the House much more detail about it because, after all, in London they were only interested in the outlines. It is amazing to us that such an important and significant statement by a British Minister should not have been reported in this House yesterday. It is quite amazing unless the Chief Minister didn't know it was going to be made. I don't know.

HON CHIEF MINISTER:

I am sorry, if the Hon Member will give way. It is a 27 page statement, the one I made. The last pages were being typed whilst I was in the House and it was an omission, a technical omission. I was reading and I was concentrating on the statement. It became obvious today. It is not that I didn't know, of course I knew. It is obvious. The point is that somehow or other it was omitted and I think I ought to say so now.

HON P J ISOLA:

Mr Speaker, after I left yesterday I was asked by the Broadcasting Service whether I would give an interview on our reactions to the statement and obviously, for the same reasons that I didn't wish to give our reaction here, I wasn't going to give a reaction to the Broadcasting Services. I explained that we would be giving our views to the House and then, of course, we would be free to comment. I hope that is understood and appreciated. Mr Speaker, the subject before the House is a subject of profound significance to Gibraltar and its economy. We on this side of the House are amazed that a decision of such importance to the Gibraltar economy and to the future of Gibraltar should have been taken by the Gibraltar Government on its own and without any consultations with the political parties in the House in respect of which consultations we have undertakings from the Chief Minister and the Government. I think it is perhaps helpful if I recall or I remind Members of the House of the attitude of my party to the question of the closure of the Naval Dockyard. We have consistently advocated a policy of unity on the part of Gibraltar as to its attitude to this important matter. We have always said this because we feared that unless there was a unified approach we would have a situation which I am sorry and very sad to say we are going to face today. A situation of a divided Gibraltar. That is the worst possible situation for Gibraltar to be in. It has been brought about, Mr Speaker, by the desires, if I may say so, or the conviction of the Gibraltar Government that only they should decide the future of Gibraltar as far as the Dockyard is concerned. That, in our view, has been totally wrong. Mr Speaker, it is now just over two years since the Defence White Paper was issued, in June 1981. We will recall that when it was issued there was, of course, consternation and dismay in Gibraltar even though the White Paper itself did not say that the Gibraltar Dockyard would close. I remember writing a letter to the Governor on June 29th, 1981, just over two years ago, in which I expressed the fears of my party as to the possible effect on the economy of the Defence White Paper. I ended up by saying: "If it becomes necessary to consider alternative ways of fulfilling the British Government's obligation to support the economy of Gibraltar, it is my firm view and request that the Opposition should be consulted very closely on how the British Government would propose to discharge that obligation. You will appreciate that any alternative way of fulfilling the British Government's obligation to support the economy of Gibraltar would require some very in-depth study and decisions likely to have profound effects on the future of Gibraltar and its economy and indeed on the way of life of its people. I hope I can be reassured by you on these matters and on my interpretation of the official policy document.

As this matter is, of course, of very great public interest, I am forwarding a copy of this letter to the Chief Minister and to the press media". Between June, July and August, I had a lot of correspondence with His Excellency the Governor in which I did not get the reassurance that we wanted from the British Government. This was, that in the same way as in foreign affairs where the whole of Gibraltar is concerned and where the future of Gibraltar is concerned the Opposition is consulted, on the future of the Dockyard which goes to the whole base of the economy of Gibraltar and affects its whole future, the Opposition should equally be consulted. The most we achieved, Mr Speaker, was the institution of a Committee chaired by the Governor and composed of Members of the Opposition, Ministers, Government Officials, officials from the Ministry of Defence and representatives from the Trades Council, Banks, the Chamber of Commerce and the Shipping Association. Very early in the life of that Committee Mr Bossano thought, for reasons best known to himself, that he could not any longer participate in that Committee and left it. Once he had left it all interest was apparently lost in the Committee and after about one more meeting the Committee was wound up. I do not know whether that was the Governor at work or the Hon and Learned Chief Minister but certainly, as far as we were concerned, we were ready and willing to attend. I say this, Mr Speaker, because it is well to remember the number of occasions that we on this side of the House have appealed for a united approach. We did it immediately after November 1981, when the British Government announced the closure of the Naval Dockyard. At that time with our usual uninhibited enthusiasm, if I can put it that way, I did write a number of letters to Members of Parliament complaining, strangely enough, Mr Speaker, about the same thing I am now complaining of as regards the Chief Minister. We complained about the failure of the British Government to consult the Chief Minister and the Gibraltar Government before announcing the closure of the Dockyard. The Chief Minister himself complained about this in this House in one of the strongest statements I have heard him make. As a result of this Foreign Office officials flew to Gibraltar the very next day. The British Government did to the Chief Minister what the Chief Minister has now done to us. They made their decision and then came to consult us about it, in the same way as the Gibraltar Government has made its decision, signed an agreement and come to the House of Assembly for the rubber stamp. We complained bitterly about that. We gave the Chief Minister our full support on that occasion, Mr Speaker, and we appealed again for a Gibraltar view. The rest is history, a memorandum was drawn up and we all agreed to get together. It is true that my Hon Friend and the Gibraltar Trades Council did branch off a bit and did their own lobbying in England but a memorandum went out. We all went to London as a united body in March, 1982, I think it was. It was about eight days before the Falkland Islands were invaded. We presented a joint view, a united view, to the Minister in London. The Minister then was Mr Humphrey Atkins who only lasted five days after our visit. After that, well, we came into more recent history. Studies were made and we on this side of the House were provided with certain reports on the diversification of the economy and on the possibility of a commercial Dockyard for Gibraltar so that we could look at them on a confidential basis. I received a number of letters at that time, in December 1981 when Lord Carrington was Foreign Secretary. He wrote back to one of the Members of Parliament I had written to, Lord Boyd-Carpenter, and quoted from the White Paper and what was said by the British Govern-

ment in the White Paper. He went to the root of the present situation when he said: "Consideration will be given to alternative ways of fulfilling the Government's obligation to support the economy of Gibraltar if it is decided that the Dockyard work there cannot be kept up indefinitely. This consideration will be undertaken in closest consultation with the Gibraltar Government". This was the undertaking in the White Paper and the base today, Mr Speaker, is this. This is what it is all about. It is not: "We close the Naval Dockyard and take whatever we give you". It is not about that. It is about not closing the Naval Dockyard unless we first find an alternative way of fulfilling the British Government's obligation to support the economy of Gibraltar. Of course, Members of Parliament would have asked yesterday whether the British Government was offering too much. Of course, they might think it generous, especially after the Gibraltar Government had already accepted the offer. Of course, they might wonder about work being lost in England. Although it is significant, Mr Speaker, that we are talking of 1% of the total of ship repair and naval work in England. Of course, MP's would query it. What was our job, Mr Speaker? Our job was to ensure a good public relations exercise within Parliament to explain the position of Gibraltar. Our job was to have made sure that the British Government had said clearly: "This is not a case of charity for Gibraltar. This is a case of fulfilling solemn commitments given by us to the people of Gibraltar at the time the Spaniards had restrictions on Gibraltar when we said that the Spanish campaign, which continues to this day, shall not succeed". It is not a question of taking money out of a yard or taking money from Tom, Dick and Harry it is a question of fulfillment of the British Government's obligation endorsed in the Government's Defence Review. One knew that Mr Dalyell, for example, was certain to query it. He is the one who even today wants the Falkland Islands to be given back to Argentina without any more delay and Gibraltar in the bucket. He wanted Spain to be consulted on what happened in Gibraltar. Of course; but he is just a madman. He is just one man there who hardly carries any support at all in Parliament. Of course, these problems were there. That was why there was a need, Mr Speaker, for a Gibraltar view for a united stand and for an appeal to Parliament if necessary. However there was no need for the Gibraltar Government to take decisions over our heads and to say: "Well, we have come to the conclusion that there is no way of changing the Prime Minister or the British Government. We came to the view that it was no use going to Parliament since nothing would happen". What would the outcome have been if we had taken that view on the British Nationality legislation, Mr Speaker, when the British Home Secretary, the Foreign Secretary and everybody else in Parliament repeatedly said no? If we had given up then, what would have been the result? We would now be British Dependent Territories Citizens. I am not saying, far be it for me to suggest, Mr Speaker, for one moment that if we had in fact consulted with each other, used the best brains in Gibraltar and brought everybody into it we would have succeeded. I am not saying that we would have succeeded but what I do say is that it would have been worth giving it a chance and that the Government has presented to Gibraltar a fait accompli. Their coming to the House is merely paying lip service to an assurance that we would be consulted before a final decision was made. The Chief Minister has told Mrs Thatcher: "I pledge my full support to it but this is subject to the approval of the House of Assembly". Yet it is a thing which he knows he is going to get

because he has got a majority in the House. We deplore that particular tactic, Mr Speaker. We do not deplore it because we look at it just simply as a political expediency. It is because we feel and we feel strongly, Mr Speaker, that the deal the Gibraltar Government has brought back from London does not meet the situation of Gibraltar. We are angry, distressed and disappointed that we have not been able to have a go at it because we know now that the decision has been made. The British Government has made its statement supported by the Gibraltar Government and the doors are closed and locked. There is precious little we can do except cry and shout and that is not necessarily going to be successful. Mr Speaker, for the Hon and Learned Chief Minister to ask this House to refer to the resolution of February 22nd, 1983 and after quoting paragraph 5 thereof say that this is the consultation he is bringing to the House is to misinterpret the motion and what was said, not just by us, but by himself at the time. This is not consultation, Mr Speaker. This is trying to go through the process to put the blame on us, if we vote against, for any problems that arise as a result, and they will arise. Mr Speaker, the Hon and Learned Chief Minister recognised the problem that this would bring when he spoke in the debate on the 22nd February, 1983, on my amendment. The amendment that full consultations should take place between all the political parties represented in the House of Assembly before a final decision was made on the commercialisation of the Dockyard was proposed by me, Mr Speaker, and supported and accepted by the Government side. In support of it I said that we had to have consultations, we had to get round a table and talk before final decisions were made. In that debate too, the Hon and Learned Chief Minister promised to let us have consultants' reports etc. so that we could form a view. In a question time period, I think it was in March, 1983, when the Government confirmed that they had received the consultant's reports, the Hon and Learned Chief Minister, referring to the reports, said: "We must first look at them. We must first read them. We must first form a view ourselves of what we think about them and then we will let you have them". In fact we got them, I believe, in the week commencing June 13th of 1983 when I was away from Gibraltar. But where are the consultations, Mr Speaker? Let us see what the Hon and Learned Chief Minister said. I quote from page 67 of the Hansard Report. He said: "full consultation is fully accepted by the Government and in fact it was never the intention or indeed, I wonder whether we have the power, to go it on a commercial basis purely as a Government without the consent of all the others, if only because of the legacy that that would leave behind if there was no agreement". This is what the Hon and Learned Chief Minister said in this House in February. "There may have to be a consensus or there may have to be a parting on the ways but at least everybody should consider that, when the time comes". So this has just not happened, Mr Speaker. It has not happened. I don't know why it has not happened. We were given all these reports to look at. We had a presentation by the Gibraltar Government's consultants and we also had a presentation by Appledore, the preferred operators. We also were asked to look at a report prepared by consultants appointed by the Gibraltar Government to check on the consultants appointed by somebody else and on Appledore, a double check. The Hon Mr Bossano has complained that he was asked two days ago. Well, I was asked, I think, a day before he was. He saw it yesterday I saw it the day before. A very wise thing and one which we agree

with. However they do not seem to have taken much notice, if I may say so, Mr Speaker, without disclosing any secrets, of what the double check report said. That is what has concerned me in the last forty-eight hours; seriously concerned me. So, Mr Speaker, let me say straight away that we deplore the lack of consultation there has been. We deplore it because we feel that if we had all got together, a better package, put it that way, might have been obtained. I think that even the Prime Minister of England, however impressed she might have been by the Hon and Learned Chief Minister and she must have thought him an impressive character, if she had had three people representing the political parties in the House of Assembly with a united front and asking only for what we feel we deserve and we are entitled to, the question will never be answered, Mr Speaker. It is no use the Hon and Learned Chief Minister saying that "they are quite convinced that the Prime Minister would not have changed her mind", because the Prime Minister herself said on the actual day the Hon and Learned Chief Minister was flying to London on his third visit to Parliament, "The Dockyard will close" - she didn't give a date - "and that is irreversible". We know that and if the Prime Minister says that, it is difficult to move her. That may not be impossible if she is made to realise the real situation of Gibraltar. Mr Speaker, as you are aware, or as the House is aware, I wrote to a great number of Members of Parliament on the 14th June, I think it was, asking them to support Gibraltar. I told them that it was possible that the commercialisation of the Naval Dockyard was not viable. I didn't say it wasn't possible, I just said that it was possible from what one had heard. At that time, at that moment of time, Mr Speaker, I was in London and I had not read the consultants' report or the project study group report or whatever. I had not read that. I told them that it was possible and that therefore we thought we might need their help. I wrote to a great number of Members of Parliament at that time. Let me say straight away the reasons why I wrote at that particular point. I have got an Hon Member on this side of the House, my Hon and Gallant Friend Major Peliza, and, although I should not prejudge what he is going to say, I have a suspicion that he feels rather strongly that the commercialisation of the Dockyard is not viable. However, at that time I could only go by what I myself had heard Government Ministers say in the House at the time of the budget. I had heard the concern of the Financial and Development Secretary, the concern of the Minister for Economic Development and of course the Hon Major Dellipiani who said quite clearly: "In my view commercialisation is not viable". When I wrote on June 1st to the Chief Minister inviting a united all-party approach to Parliament on the issue, it was because I had grave suspicion that commercialisation was not viable and that we had a struggle on our hands. I told him that, apart from anything else, I would certainly be writing to start getting support. I did. I won't refer to the correspondence that followed, Mr Speaker. The only thing I will say is that, as far as we on this side of the House or the Democratic Party of British Gibraltar is concerned, we have all along tried to help in the process of obtaining a viable solution for the problem that is created by the British Government's decision to close the Naval Dockyard. Our stand has always been: "Don't close but if you are going to close, don't close until you have got a viable economic alternative because that is not what we say it should be, it is what you yourselves have said it would be. We will consider ways and means to providing an alternative, a viable economic alter-

native'. Mr Speaker, it is difficult for us, without breaching confidences, it is difficult for us to say why we do not consider, and I am confining myself to the commercialisation of the Dockyard part of the deal, why we do not consider that to be a good deal and one which we can support. Before saying that, however, let me just touch on the question of the land that the British Government, as part of the package of the new Lands Memorandum, has agreed to hand over prime development sites to Gibraltar free of charge. Mr Speaker, that is a generous move, the Government has done well to get that and I am not complaining about that. I think that the British Government's agreement to reprovide these areas at their own expense is fair and reasonable and we thank them for that. We do not wish a confrontation with the British Government. We do not look for civil war in Gibraltar, Mr Speaker. We look for what is fair and for what is just but let me tell the Government one thing on this lands deal. Does the Government seriously believe that it can get private capital to develop in Gibraltar in view of the situation that Gibraltar is in today? Has there been any development started or commenced in the last year since the Spaniards opened the frontier in the way they did? Have the Government forgotten the diversification of the economy report that was handed to me on a confidential basis? So again I cannot say very much. However, its provisions seemed to believe that diversification depended fundamentally on an EEC type of opening of the frontier and not this blockade that we have got, not this siege that we have got that is bleeding us and bleeding us to death. How does the Government propose to get developers to spend millions of pounds in Gibraltar in the present economic climate of Gibraltar and in the present situation vis-a-vis Spain? What has happened with the old Command Education Centre? We have been told that there have been no takers. What is happening with the eastern reclamation? What has happened, Mr Speaker, with the car park at Casemates, with buildings going up and so forth? I am sure it is positive. They are going to build a car park so that the people who take their cars to Spain can bring them back and park them there. That, Mr Speaker, that is our problem, the problem of having diversification of the economy with a siege at our door is not an easy one and we all know it. What is happening with the hotels? What is their occupancy rate, a bit higher, Mr Speaker, but what is it? Are they viable today? I am amazed to read in the statement of the Hon and Learned Chief Minister that they promise to have a push in tourism, that they promised to do something about it. Well they have been promising that, Mr Speaker, ever since they came to office after the famous two years and ten months and the situation has in fact deteriorated, possibly not for reasons of their own, but these are the facts of economic life, Mr Speaker. Therefore, in the context of the Dockyard and the recession that that will bring, we think, frankly, that the giving of prime sites, good as they are in themselves, does not provide economic answers to the economic problem that Gibraltar is facing today and will face when the Dockyard closes. That is what we are concerned about when we are talking of a viable alternative economically. Not buildings and lands agreements that make the land ours and the buildings ours but does not produce economic activity. What we want is that the Naval Dockyard, if it has to close, be replaced by an economic viable alternative. It is to that, Mr Speaker, that I would now like to turn. Let me take up the Chief Minister on one, well, I wouldn't call it small point, but I think a significant point on the question of the

Appledore proposals. We are frankly very worried about it. We were impressed when we had the presentation. There is a lot of professionalism in Appledore. They have won the Queen's prize for export. They are professional people and they gave us a presentation of what they hope to achieve. Frankly, Mr Speaker, the Hon and Learned Chief Minister did in fact refer to one of the things they hope to achieve. That was that in the fourth year of their operation, I think he mentioned 1989 or 1988, there would be, if all went well, 1,300 jobs in the Dockyard. More than... there are today, more than are to receive redundancy notices. However I think, Mr Speaker, that the Hon and Learned Chief Minister is being less than fair to the House if he just tells us what Appledore hopes to achieve in 1989 and doesn't also tell us what the other people think. The expert consultants think, and certainly the latest consultancy report to the Government for which we are paying and in respect of which we voted £20,000 in this House, without disclosing any secrets, seems to indicate this, that Appledore were living in cuckoo land when they made that estimate. What concerns me, Mr Speaker, is what the Chief Minister himself has said in this House. He has disclosed something new today that we didn't know when we had the Appledore presentation. Let us recall the Appledore situation. They said in their original submission to the Gibraltar Government that they would employ 755 people in the first year of operation. Then, Mr Speaker, some time later a report appeared in the Chronicle under which they said they would be taking on 300 or 355 at first. Any more takers would depend on developments. Of course, that caused an outcry and then the explanation was given by Appledore to the public, I think, but it was certainly given to us in their presentation, that it was impossible and we understood this, it was impossible to employ 755 people on day one because you had to, somehow or other, get going and get organised and so forth. That was, Mr Speaker, in the context of an opening of a commercial yard on the 1st January, 1984, six months away, when, from what we heard them say and from their presentation and the dates that they had to be given, we knew that it was a practical impossibility to start a commercial operation in the Dockyard on the 1st January, 1984. We felt that if there was just the slightest bit of good faith on the part of the British Government towards Gibraltar and we believe there is a lot and a wealth of good faith and good feelings towards Gibraltar, the British Government itself would quickly recognise that the 1st January opening date was an impossibility. A practical impossibility possibly caused by the British election in June or something else but they would know that. But now, Mr Speaker, when they have got a whole year now because of the deferment - and I congratulate the Government on achieving that, that is a plus, we will give credit where credit is due, we thought they would get six months, Mr Speaker, they got a year, that is a plus - we have talk in the statement of the Chief Minister of coming to an agreement with the Union, as I hope they will do if this goes on, and of Appledore's hopes of having about 755 employed by the middle of the year. With more time now to plan the whole thing, Mr Speaker, it should be possible, should it not, to have more employed on 1st January 1985. It should be a much easier prospect but what does the Chief Minister tell us in his statement, perhaps it is an error. He tells us that Appledore hopes to have about 755 by the middle of the year, it is no longer three months after operation, it is now six months, Mr Speaker. With more time to prepare, it is now six months before they employ 755. If one reads

carefully the consultants' reports as, I hope, we have done, one sees that obviously the increase of the numbers to be employed, and this is clearly a commercial matter, would depend on the business the Naval Dockyard gets. That is how the numbers will increase and it will increase on the basis of a number of other factors, that must be obvious. What we question on this side of the House, Mr Speaker, what we question is not whether Appledore are first class operators but whether the business is there. That is the big problem. Mr Speaker, that a commercial yard faces in Gibraltar and everywhere in the world. Will a new yard just started off suddenly take away the little bit that there is from all the experienced yards in the world who will be reducing their prices to compete, not with us, but with each other. What sort of chance is there for a commercial ship repair yard in Gibraltar in the economic climate that exists today in the ship building and ship repair industry. Whereas one is prepared, I suppose, to make an act of faith, when one has no other choice, in the Appledore proposal, one becomes less and less and less prepared to make such an act of faith when one hears reports from experts and consultants that the propositions put forward by this firm are unrealistic, that their hopes are unrealistic and all the other things that we have had to read in these consultants' reports. This helps, Mr Speaker, to reinforce the point and the complaint that I have made about lack of consultation because if the Gibraltar Government had called me in and the Hon Mr Bossano in and said: "Look, we are now going to London. We have accepted that the Dockyard is closing, we cannot help that, will you join us in this? What do you think about it? What do you think of the reports you have heard?" I must make one complaint, Mr Speaker, that one report, the one I read two days ago, twenty-four hours before debate in the House on the matter, I noticed was dated 13 June, 1983. I think it would have helped us enormously to have seen that report a lot sooner that we were actually allowed to see it. However, it reinforces the point I made that it is impossible for me to argue when I cannot disclose what is in the report. It is impossible for me to argue on factors I cannot disclose but merely on general impression and to try and convince the Government on the matter and that there is need for thought as to an alternative. That is why I am glad of the years deferment because I believe there has to be a lot more study done, Mr Speaker. I would like to know how and in what way the changes that have been negotiated with the British Government have decisively changed the situation from a very poor outlook, which is what the Government was projecting during the budget time in April, 1983, a gloomy prospect about Dockyard commercialisation, the Appledore proposals and their report of a project study was there with them. They had it then and they knew that the £28m figure was there then and the £11m naval work figure was there then. What has changed the Government since they told us all in the budget that it might be impossible to govern Gibraltar because it couldn't put them in a situation to govern Gibraltar? What has changed that position between April, 1983 and today? The extra £3m of naval work? Does that make an unviable commercial ship repair operation viable? They have had a deferment of one year, Mr Speaker, and they have had a bit of land. Well, a lot of land, acres of it. They have got a lot already themselves which they never develop and don't do anything about. How does that help the economy? How does that help employment? How does that help the building industry? If the Hon and Learned Chief

Minister had said and had announced, and I am not blaming him for not doing it if he hasn't got it he cannot announce it, that on top of handing the buildings over, the British Government was giving the Gibraltar Government, £8m, £9m, £10m or £6m, £5m or £4m, whatever million pounds to get economic activity going in the building industry, then I can understand it. That is not the case, as I understand it. If the Hon and Learned Chief Minister has said that development aid is something quite apart from all this, till when are we going to wait, Mr Speaker, on that? This is basically, Mr Speaker, what we want to know. What is it that has changed the Government from a gloomy prospect verging on resignation in April to accepting a deal which is substantially what was on their plate from the consultants in April, 1983? I ask another thing, why haven't they got, Mr Speaker, the sort of guarantees that they have been recommended that they should get from their own consultants? I cannot go further than that? Our view is that the case for commercialisation as a viable alternative has not been made out and therefore the British Government commitment to find alternative ways for fulfilling their obligation to sustain and support Gibraltar is not met by a commercialisation of the Naval Dockyard. We wonder, Mr Speaker, whether there ought not to be further studies made into the diversification, for example, of the Naval Dockyard suggested by other operators who put proposals to the Gibraltar Government. How can the Gibraltar Government stick loyally and completely with an operator whose projections and whose opinions have been so severely criticised by expert consultants employed by the Ministry of Overseas Development and employed by the Gibraltar Government? Surely some doubts must be in the minds of the Government as to the operators claims to the desirability and viability of commercialisation. I would certainly have very serious doubts about it if I was sitting where the Hon and Learned Chief Minister is. With those reports I would have them and I feel bound to say, Mr Speaker, that I cannot go into details because they have been handed to us confidentially. We feel, Mr Speaker, that the Government should take this extra year's grace that has been given to the Naval Dockyard to look further into the matter of viability and into the sort of assistance that Gibraltar requires if it is to survive as a viable economic unit. The Hon and Learned Chief Minister thought it necessary in his speech to refer to the other part of the economy that is being affected by the Spanish siege, the private sector. He referred to how we are being bled by the manner of opening of the frontier, with the Government losing £2m in revenue a year and the people of Gibraltar £5m a year. He almost referred to how he felt himself, well not almost, he did, he appealed to the patriotism of the people of Gibraltar on excessive expenditure in Spain. I would certainly like to hear him tell the House once and for all that the Gibraltar Broadcasting Corporation will not be allowed to advertise Spanish products, Spanish services and Spanish villas in Spain out of public monies voted by this House to promote exactly what the Hon and Learned Chief Minister has called unpatriotic, the spending of all our money in Spain. A Government subsidised Corporation, subsidised to the tune of nearly £1m, goes on cheerfully taking advertising time on prime advertising space, calling on the people of Gibraltar who have spent a whole day in Spain swimming or buying vegetables and sit at home to watch something about Gibraltar and then they dangle the carrots of villas of £10,000 and all this business. The Government has to be meaningful, Mr

Speaker. Of course Gibraltar is a democracy, of course the Hon and Learned Chief Minister cannot stop people going to Spain, of course he cannot punish them for being unpatriotic and so forth, but he can control what is within his control. I mean, I wanted to be consulted on the appointment of the Chairman of GBC, I know. That was his prerogative to get an impartial person. The Governor in Council can give direction. Well, let's see some leadership in that direction, Mr Speaker. And what I said about the economy being bled by the Spanish siege is a very relevant factor in the issue of commercial viability. I remember reading a report which was optimistic about diversification of a commercial dockyard with an open frontier and the development of the private sector. Diversification held good economic prospects. However I also remember the same report saying that with the frontier closed though, it would be a very different story. This is worse than a closed frontier because this is a leak of a considerable amount of capital from Gibraltar. Mr Speaker, in order that a judgement can be made rationally by the people of Gibraltar on the package that the Chief Minister has negotiated and brought back to Gibraltar, it is our view that the Government should make public the reports, all the important parts of the reports in relation to commercial viability, in order to allow the people to make a judgement on it themselves. Because, Mr Speaker, the issues before this House are of profound importance, not just to the Government and the Opposition, but to the whole future of Gibraltar and its economic viability, in view of the difference of opinion that there is on both sides of the House, it is our view that the Government should test their proposals in a general election. I notice that Mrs Thatcher, not Mrs Thatcher, I beg your pardon, yes I think it was Mrs Thatcher, Sir Jeffrey Howe and Baroness Young in the letters that they wrote to all members of Parliament, that I wrote too, said that the British Government would not force on the Gibraltar Government anything they do not want. By the same token, Mr Speaker, the Gibraltar Government should not force on the people of Gibraltar anything they do not want. That is why we think that the Government proposals should be tested in a general election. Mr Speaker, I am therefore moving an amendment to the motion of the Honourable and Learned Chief Minister which encompasses all I have said. Perhaps, if I could give it to you, Mr Speaker, and I could perhaps read it. It follows the traditional form, Mr Speaker. I move that the motion be amended by the deletion of all the words after the words: "This House" and by the substitution of the following words:-

1. Deplores the failure of the Government to adhere to paragraph 5 of the motion passed by this House on February 22, 1983 to the effect that full consultation should take place between all the political parties represented in the House of Assembly before a final decision was made on the commercialisation of the Dockyard.
2. Considers that the British Government pledge contained in the Defence White Paper of 1981 to find alternative ways for fulfilling their obligations to sustain and support Gibraltar in the event of Her Majesty's Dockyard closing, is not fulfilled by a project of commercialisation of a Naval Dockyard which is not likely to be commercially viable on the terms agreed.

3. Welcomes the deferment of the closure of the Dockyard for one year and urges the Government to institute immediately investigations aimed at ensuring a viable alternative for the Gibraltar economy.
4. Urges the Government to make public the Reports on which it has acted in deciding that commercialisation of the Naval Dockyard is viable on the terms and conditions that have been agreed.
5. Calls on the Government to hold a general election in Gibraltar to test whether the proposals they have negotiated unilaterally with the British Government have the support of the electorate.

Mr Speaker, I beg to move.

Mr Speaker proposed the question on the terms of the Honourable P J Isola's amendment.

MR SPEAKER:

We are now going to speak on the amendment. I will be liberal on any Member who wishes to speak on the amendment to the extent that if he wanders into the general and the original question before the House, he will not be allowed to speak subsequently. Of course, there is a fair amount of area between one question and the other and I will be liberal today. However, I will not countenance any repetition.

Do I take it that there are no contributors to the amendment?

HON J BOSSANO:

I would have preferred it if the Government had intended to support the amendment. Before speaking on the amendment let me just say that it seems to me Mr Speaker, that there is a contradiction in the amendment and perhaps you would clarify for me whether it is possible to move motions that contradict themselves. I would have thought, Mr Speaker, that if the Government were to accept what Clause 3 of the amendment suggests, then presumably they wouldn't be required to do Clause 5, alternatively if they do Clause 5 they wouldn't be required to do Clause 3, I would imagine, Mr Speaker. I would have thought that if they accept that the year's deferment is used to carry out further investigations because we decided according to Clause 4, that commercialisation on the present terms is not viable, then you don't go to an election to get support for something that is not viable, which is what they are asking one to do in Clause 5.

MR SPEAKER:

There may be a contradiction. Whether it is deliberate or not is another matter but it is not for me to decide on such matters. The

amendment is acceptable as drafted, whether it is non-sequitur is another matter.

HON P J ISOLA:

Can I just explain the point, it did occur to me, Mr Speaker. What that is intended to convey is that investigations should start now. An election would probably take a little time.

MR SPEAKER:

Let it be said, and I should make this complete and utterly clear at this stage, that when there are complicated questions before the House and where it is possible for Members to vote in favour of part of the question and not others, it is possible to have separate votes, but of course it is something that has to be decided at a later stage.

HON J BOSSANO:

I think that the only difficulty with the motion, Mr Speaker, let me say, is not as to the content of anything of its five individual constituents. The only problem that I see in the motion is, that the Honourable Member, in his exposition, has discovered a range of different ideas, none of which necessarily require the other to be true. I mean I think each of those five parts stand on their own right independently and therefore, I think, irrespective of whether commercialisation is viable or not, one can deplore the failure of the Government to consult. I think, in fact, if it is the view of the House, as indeed it is my view, that the proposals which have been presented for commercialisation have had a very substantial question mark put on them by those who have examined them, and not just by people like myself who were against them from day one, then it seems to me that to ask the Government to test public support for that is in contradiction. I think the Government can legitimately be asked in this House if they are themselves convinced and if they are in a situation where they can make up their own minds to support commercialisation when the rest of the House of Assembly is not. I think it is legitimate to say to the Government: "Well you really haven't got the right to sign an agreement which, in fact, has to be implemented in 1985, when there has to be an election in May 1984 at the latest". This is a point that I have already made in my contribution yesterday. It isn't binding on whoever may be there in 1985. I think that if the Government itself is convinced it is legitimate, I think if we are asking the Government to reconsider its own position, then - perhaps I could move an amendment to overcome that problem and I wonder if the Honourable Member would agree that that might do the trick - by saying after the word "agreed" in Clause 4 or, alternately, if the Government refuses to freeze, as it were, the agreement on commercialisation then perhaps they ought to be asked to test public support for it. Let me say that my only reservation on asking the Government to go to an election on this issue is that as far as I am concerned, even if the Government went to an election on an issue like this and they got the support of the

electorate, to my mind it wouldn't convince me that the commercial dockyard is viable, and if the crux of the matter rests on whether it is viable or not, then I think that the fact that the electorate supported the Government would not be conclusive proof that the people want commercialisation. It very much depends on how you put the question before the people because it may well be that if you put a situation where you say to people: "The British Government is only prepared to provide money for commercialisation and nothing else", I don't know whether the Gibraltar Government has been told that, we haven't been told in the House of Assembly whether in fact this is the case, but it seems to be, Mr Speaker, implicit to some extent in the fact that the £28m is conditional. I am glad that the Honourable and Learned Chief Minister has cleared up that the question of the land is not conditional on any agreement with the union. I found that highly objectionable when I got that impression from the answer he gave me yesterday. I am glad that this is not the case, but it apparently still is the case and one can see how it would be the case, that if there is £28m to be invested and if Appledore itself has said that it will not take on the management of the dockyard unless it can get certain guarantees from the Unions as to what it considers to be necessary to make the thing successful, then the British Government would then stand idle from day one. Does that mean that if commercialisation is out, then there is no money for anything else? Well, if it means that then I have no doubt what a lot of people would say given those two options. However bad Appledore may be, however doubtful the outcome may be, it is better than nothing, yes, there is no question about it. I think we need to know what it is we are asking people, because certainly I am objecting to it on the grounds that I haven't seen anything to change my mind, as the Honourable and Learned Leader of the Opposition has said. If people were asked: "Will you accept this which is highly dubious or nothing?" and they accepted this which is highly dubious, it doesn't stop it being dubious. It seems to me that the Government itself, from the reaction I have just had, has not, in fact, fundamentally altered its mind. I think the answer to the Honourable and Learned Leader of the Opposition's question as to what had happened to make them change their mind, is that nothing has happened to make me change my mind. What has happened is that the British Government has made it clear, that, as far as the British Government is concerned, they themselves are convinced that this is the best solution for Gibraltar. Therefore whether we like it or not we have to lump it. I would have thought that that is in fundamental conflict with the letters the Honourable and Learned Leader of the Opposition has been quoting and I would have thought that, perhaps, that lends weight to his argument in the first part of the motion, Mr Speaker, about the lack of consultation. If the Government is being told one thing and the Leader of the Opposition is being told another, then perhaps if they were able to tell each other what they have been told independently, whoever is putting up these conflicting views might be caught out. I don't know, I have certainly no contact with either Members of Parliament or the British Government on the question. I have only to base my judgement and my unwillingness to support the commercialisation proposals on the requirement for success. I am basing my own political opposition to this obviously I think a deferment of the closure of the Dockyard for one year is welcomed in the sense that if somebody was going to find themselves unemployed in January 1984, then whilst what we want is that they should not be unemployed at all, it is preferable that they should be working throughout 1984 and

not be out of a job until 1985, but is that the case? I mean before we go into welcoming the deferment, have we got a deferment of one year, because I am not so sure that we have, Mr Speaker. It seems to me that we have a proposal that the actual final day of the closure of the Naval Dockyard will be December 1984, but as opposed to the situation we have today. Let me say that I think the Honourable Member in his own statement, when he talked about the British Government having already given us more time, I don't really think this is accurate, Mr Speaker. The Honourable Member said the British Government accepted and granted the request for time, that is the request for time in the memorandum we all signed. Well we didn't sign a memorandum asking for the target date to be moved from March to December 1983. I think the Honourable Member is completely wrong in that, absolutely and completely wrong. Yes, the Honourable Member says: "How long is a piece of string". Well, it depends on who is holding the string. The Honourable Member will recall that the memorandum which we all took to UK was signed by all the representative bodies after the return of the Trades Council from visiting Mr Blaker in UK, and Mr Blaker in UK, before the memorandum, had already told the Trades Council that the final date for closure was December 1983. We couldn't therefore be asking for a deferment from March to December, when the Memorandum came after we had already been told that the final date was December. We were told in February that the target date was March but that, in fact, the commitment of the British Government was to commence and to complete the closure within 1983. I remember Mr Peter Townsend of the IPCS asking whether this meant that the final date was December 1983, and the answer from Mr Blaker was yes. After that we all signed the Memorandum asking for a deferment. It must follow logically, that if we have already been told that the maximum that the Dockyard will be kept opened is December, 1983 and you go back and ask for more time, you are asking for more time beyond December, 1983. Therefore, the paragraph, Mr Speaker, is inaccurate. The Honourable Member said that we all asked in the Memorandum for more time and that the British Government granted the request by moving the date from March to December. I am telling him that we asked for more time after we had been told that the date was December, so the Honourable Member must be wrong in his interpretation.

HON CHIEF MINISTER:

What I was saying is that the Memorandum only asks for time and although this time may have been granted as a result of the effort, further time has been granted now.

HON J BOSSANO:

I accept that Mr Speaker, I am not trying to take away the credit from the Honourable Member for having achieved a deferment. What I am questioning, and I am going into detail in a minute on that because it is part of the motion - I am not questioning that and I am not trying to take that away from you, what I am saying is that in his statement he said that we presented a memorandum in March, 1982, where we mentioned the date of 1985, where we said that we wanted sufficient time for a viable alternative to be identified and he says in his statement that that was accepted and

granted. I say to him that, as far as I am concerned, and I don't know whether the Honourable and Learned Member when he speaks will tell the House whether he was a signatory to the Memorandum and whether he thinks that that request was accepted and granted by saying December 1983, but I can tell the Honourable Member that certainly I signed that Memorandum after I had already been told that it was closing in December 1983 and as far as I was concerned I was asking for a deferment beyond December 1983.

HON P J ISOLA:

In a report of a meeting with the Minister for the Armed Forces, Ministry of Defence, Mr Peter Blaker, on the closure of the Dockyard, held on the 28th January 1982, in which he was present - I got the minutes of his union, I don't know why I have got it - it is reported that the Minister said the decision had been notified for the 23rd November and the Government would be consulting the Gibraltar Government about what happened after 1983. I don't know why I have got these minutes of the meeting that he had.

HON J BOSSANO:

We circulated it to all the members of the representative bodies. We don't keep confidential documents. I think that is important because I want to come to this question of deferment. As far as I am concerned, Mr Speaker, there was this united stand for asking for a deferment beyond 1983 and I think the statement made by the Chief Minister that this had been accepted and granted by moving it to December 1983 was wrong. I said quite clearly when we came back that the answer had been no and it appears that, in fact since then, the Chief Minister has achieved what the three of us could not. That would appear to be the case. I am asking if that is indeed the case. Have we got a deferment or is that conditional on the unions agreeing to accept commercialisation now? If the unions turn down commercialisation now, is the closure date still December, 1983 or does the year's deferment stand? In fact, if a year's deferment doesn't stand, then perhaps we shouldn't rush into welcoming the deferment and we certainly should not ask the Government to carry out further investigations into other alternatives to Appledore because there won't be a deferment unless we accept Appledore. Is that the case or not?

HON CHIEF MINISTER:

My understanding of the situation is that the year would show whether the workforce would be prepared to work in a commercial dockyard or not.

HON J BOSSANO:

I can see that, Mr Speaker, if the sum of the practices that Appledore claim will achieve an improvement in productivity were to be tested in the existing environment, that might be a greater indication of their probability of success than anything any consultant says. At the end of the day, however much expertise the

consultants may have, it is still a hypothetical situation. I mean, one is predicting what may happen in the future and one is not testing it, as it were, on the ground. I accept entirely that if you have got a situation where the unions agree to introduce some of the ideas of Appledore within a Naval Dockyard, then, it can be seen whether those ideas can be made to work and if they work whether they have produced that much increase in productivity. That is an empirical way of testing, if one likes, some of Appledore's theories. I wouldn't argue with the logic of that. It seems to me that this question of prior agreement, perhaps I am being over-suspicious or over-cautious, but it seems to me that this prior agreement which appears to be linked to land is not now linked to land but is certainly linked to the £28m. If the situation is that the move towards commercialisation or the setting up of a commercial dockyard is not agreed with the unions at an early stage, between now and December, would the deferment still stand, whether it was to test their ideas or otherwise, or is there a condition attached that between now and December

HON CHIEF MINISTER:

No, I can say that that has never been mentioned.

HON J BOSSANO:

I thought it was important, Mr Speaker, to clear that up. In that case I think it is easier to welcome the deferment for one year. I agree entirely with the need to make the Reports public, and I certainly think that it is extremely difficult to carry out a debate on a subject without making reference to documents which we have all seen and which nobody else is supposed to have seen and consequently we cannot quote. I think that unless we are able to quote from them, I mean, we haven't really, I think, Mr Speaker, we haven't even had an opportunity to, as it were, cross examine each other on what we think the Reports mean. The only time that we have met has been to hear an exposition or an expansion by the people who have written the report, where we have asked them questions. Some other things have come out as a result of those questions which were not in the Report and which are also very important. We each have presumably made our own judgement on what the implications of those Reports are. I am not sure whether the judgement that I have made differs considerably from those of other members or not, but the only way to test it, it seems to me, is to say what I think the report says and find out if other people coincide or not. If they don't then I should explain why I think that the report means A or B. Now that requires references to reports which presumably we are precluded from doing until they are made public, so I certainly support that they should be made public. Let me just say one thing, going back to the original Peida study, when the White Paper was announced and to the latest Michael Cassey Report, there is a consistent thread running through it about the limitations on what is available. I think that is one of the most important factors in all this. Therefore it seems to me that when we are talking about finding a viable alternative for the economy of Gibraltar, I am not so sure what we can expect to produce by having more experts or more consultants. It seems to me that what every consultant has

said so far, irrespective of what else they may have said - and this doesn't just go back to Peida, it seems to me it goes even back to the Report and other things which we have always thought were loaded politically - but there is one consistent thread, is that Gibraltar's economy without the cooperation of Spain, has got very little room for manoeuvre. Now that consistent thread which is there in all the consultants' reports means that what can be produced from further investigations, in my judgement, is limited. It is that, in fact, also which needs to be pointed out to the British Government, in that what we can do out of Gibraltar, has got to have a question mark put over it. I remember when we had the presentation from the consultants. They were asked about the Crinavis operation down the road. The consultants themselves said, the consultants which were assessing Appledore not the consultants that were assessing the consultants, they said, Mr Speaker, that they would produce a final report, which I have not seen. I don't know if the Honourable and Learned Member has seen it. The final report of Coopers and Lybrand and A R Belch Associates says that this is an interim one and that there is a final one on the way, which I haven't seen and other Members haven't seen either. They say there that there are other factors including possible Spanish reaction to a commercial dockyard which have not been gone into. I think that needs to be gone into. Now I remember that when the matter was raised with Appledore they sort of, you know, put the idea that Crinavis might be able to do anything because Nikko International, which was taking up the option to develop a yard down the road, was a very specialist, a very small firm and not in their league at all. Well I can tell the House that if that had any bearing in deciding the Government to support the commercialisation proposals, that is total and absolute nonsense. I have had my own Head Office in London carry out an investigation of Nikko International and it is an extremely powerful firm with about 50 subsidiaries worldwide, including one in Algeciras and another one in the Canary Islands, doing sand-blasting, shiprepair work on hulls, sand cleaning and all the things that Appledore say they are going to do in the Gibraltar Dockyard. I would have thought that was something that needed looking into. I remember when Appledore was asked about it, they said that these people don't count because they are just a very small firm specialising in boilers. Well it is not true, they are a very powerful firm. They are an international firm. They have got their Headquarters in Gothenburg. They have got about 50 subsidiaries worldwide and two of their subsidiaries are already in Spain, one in the Canary Islands and one in Algeciras. Now what happens if the operation, irrespective of all the goodwill and the hard work and everything else that seem to be necessary requirements, what happens if they cannot compete. Spain makes it her business, to make sure they don't compete. In fact, the last Report, Mr Speaker, that we had, makes clear just how uncompetitive an area of business this is and I don't see why this should be a secret. It's in every daily newspaper in UK. I mean it may be mentioned by a reporter, why should that be a secret. When one opens a national newspaper everyday one hears how much British shipbuilders have lost in shiprepair work and how the British Government is actually considering pulling out of repairing ships in UK because they cannot compete with the Koreans. Now what is the magic formula that will make Gibraltar a success where everybody else is failing. If Appledore have this magic formula, why don't they go and tell Mrs Thatcher about it, so that

she can tell British shipbuilders and stop all the redundancies? I think, Mr Speaker, that we need a deferment of the dockyard. I welcome the one year. I don't think it is enough but it is better than nothing and I welcome the one year. However I am not sure that it is a question of more consultants and more reports. I think that the only way that we are going to be able to make a go of Gibraltar is by a far more radical approach to how the Gibraltar economy is run. That requires more than has been done so far, more than just saying that you can have Rosia when you are ready with something to put in its place, or you can have Queensway. The Government may with the best wishes in the world, produce all sorts of plans but it isn't the plans. Presumably the British Government is not going to hand Rosia and it is not going to hand Queensway over because we put up a model in Mackintosh Hall. We have put up a model for the Main Street pedestrianisation and we have put up a model for the Command Education Centre. We have put up a model of each but they never get past the model stage. Presumably they will want to know that there is somebody ready to start work there. Therefore the achievement of the Chief Minister, after all his trouble with the British Government in getting this extra land, may never get past the paper stage. I think that was the point the Honourable Member was making about people not being willing to put their money here when there is the uncertainty about Gibraltar's potential, with a frontier situation like we have today. So I will support the motion as a whole. I think that the last Clause is the one I have reservations about in the context of the other four. I don't have any reservations about asking the Government to go for a general election because I have already did that in the Budget. I think that it is legitimate to say to the Government: "If we are determined to go ahead with this, then you really have no right to do it, unless you get a political mandate to do it. Although as far as I am concerned, if they get a political mandate it won't necessarily mean that the thing is successful and I am not prepared to support it unless I am convinced that it is successful. But certainly, it seems to me, that if we are asking the Government to freeze the Agreement and reconsider it, then they cannot do both things. They cannot go to an election and freeze the Agreement. Therefore, I would think that the 5th Clause should be there as an alternative to one of the others, presumably the one which says that they should use the year to institute immediate investigations aimed at ensuring a viable alternative and urges the Government to make the Reports public. I think that in Clause 4 we are saying that, or we are implying that we want them made public because we don't think that it is commercially viable. In Clause 2 we say that we don't accept that the fulfillment in the White Paper is met by Appledore's proposals and therefore, to ask the Government to go to an electorate would follow, as far as I am concerned, Mr Speaker, if the Government were unwilling to accept either 2 or 3 or 4. Then the alternative would be 5. I am not quite sure how I would do it but perhaps another Member of the Opposition, if they agree with the point I've made can think of a way of amending it. I think that as it stands, quite frankly, we are asking it to do two things, one of which is only required if the other is not acceptable.

HON P J ISOLA:

I am grateful to the Hon Members for pointing out the drafting deficiencies in my motion. It is not usual for a lawyer to be told by a trade union official that he is wrong but, certainly, if he would like to move, after paragraph 4, the words 'or alternatively', I think that would meet the problem, and we would certainly accept that. I doubt that the Government would accept anything.

MR SPEAKER:

I will then propose the question which is that the amendment to the original question as moved by the Honourable and Learned Leader of the Opposition, be further amended by the addition of the words 'or alternatively', immediately after the words "being agreed" in paragraph 4 of the amendment to the original question. Now does any Member wish to speak on the amendment to the amendment?

MAJOR R J PELIZA:

Well I think I would like to speak on the amendment, on the small amendment because I think it is important and I can cover ground; more directly by directing myself at these two points which I think are very relevant. I think, in fact, it is great kindness on the part of my friend Mr Bossano and the Leader of the Opposition to have almost given the alternative to the Government to find a way out of the dead end that they have cornered themselves into. But I can see why not, Mr Speaker. I think that they would rather go to an election than disclose what is contained in the Reports because if they were to disclose what is contained in the Reports, perhaps literally, they would be hanging themselves. I, Mr Speaker, discovered at the time of the supplementary estimates that there was another Report of which we have heard nothing about. It just appears there as a vote for £20,000 and when I enquired the Chief Minister said that this was another report on the report that they had had, that this was one commissioned by the Government itself. It is an ongoing report but, of course, we will let you see it before the debate. I was wondering when we were going to see it, but about two days ago I was told that it was possible to go to the Government Secretariat and there have a look at the report. As soon as I entered I was asked to remember that it was confidential and could not be quoted. Quite honestly, Mr Speaker, I just could not swallow that. I had been swallowing quite a number of reports so far, all of which I thought were fairy tales.

MR SPEAKER:

With due respect to the Honourable Member, will you listen to me and will you please sit down. I will tell you why. You will soon be entitled when you are dealing with the amendment as moved by the Honourable and Learned Leader of the Opposition, to deal with paragraph 4. All that we are dealing now with is whether the words 'or alternatively' should be inserted between paragraph 4 and 5.

MAJOR R J PELIZA:

Isn't that what I am trying

MR SPEAKER:

No, you are not, with due respect, you are not. That is why I wanted to advise you that it would have been better if you had spoken whilst we took the amendment to the amendment. We have still, and you will be entitled, to deal with paragraph 4 and paragraph 5 on the amendment as moved by the Honourable and Learned Leader of the Opposition. All that you should speak about now is whether the words 'or alternatively' should be added or not. However if you want to do so, you are free to do so.

MAJOR R J PELIZA:

Mr Speaker, what I was trying to say is that I found it difficult for the Government to accept either and this is what I am trying to do to make a point that the Government cannot accept this for the reasons that I am saying. If they disclose the report, Mr Speaker, then there will be terrible trouble in that this town will see and everybody will realise how wrong the Government has been in accepting commercialisation when, in fact, the report, in what I gather, says that that would not be viable. Therefore, Mr Speaker, the other alternative is whether they will go to an election and we are saying do we accept one or the other. What I am saying is that I accept it because I think it is a way out for the Government, if they really want to take it. They have trapped themselves and they will find it difficult to follow either one or the other.

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

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

The following Hon Members abstained:

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 Hon J Bossano's amendment to the amendment was accordingly passed.

Debate continued on the Hon P J Isola's amendment, as amended.

MAJOR R J PELIZA:

The Government has very little to say since they have not yet, since the Chief Minister spoke for the first time, had the courage to stand up and express their conviction for what they have done. I think that should carry on. Mr Speaker, I will now concentrate on the amendment and therefore I will cover a little bit more ground.

MR SPEAKER:

On the amendment you can be as extensive as you wish, provided you later on don't wish to repeat yourself.

MAJOR R J PELIZA:

I will do my best not to. I am sure you will call my attention if I do. As I said before, I was shocked, Mr Speaker, when I was told that we were not allowed to disclose the contents of this report which we ourselves, not ODA, paid for. We paid £20,000 for it, perhaps more when we get the full bill. Here we are having a debate in which perhaps the most important issue ever debated at this House has come for debating and we are incapable of making use of the information that is available in those reports, not only to make our arguments more intelligently based on the information but, in fact, depriving Gibraltar as a whole and also Members of Parliament of the information that is contained in these reports. I felt so annoyed, Mr Speaker, that I think I should put it on record in the House since this is a matter that has been raised by other Members of the House, Mr Bossano and the Leader of the Opposition. I wrote letters to the Chief Minister there and then and I was told that I refused to read the report because I wanted to be a free agent in this House and be able to speak my mind without any form of inhibition. My thoughts I had gathered from previous reports, was that it was not a viable proposition and therefore I wrote this letter. I am surprised that, before the debate on the closure of the Dockyard, the report commissioned by the Gibraltar Government is to remain confidential and cannot be quoted. As this might inhibit me in what I may in conscience feel I might have to say publicly, I consider it is in the interest of democracy and of Gibraltar that I do not read it under such conditions. There is always a valid reason why reports should remain confidential in the kind of closed Government you are leading. The Preece, Carcew and Rider Report on the Electricity Undertaking is a glaring example of such oppressive attitude to which I so strongly object. If by the time of the debate you can find it possible to do away with your suppressive attitude, kindly let me know and the information it contains may enable my contribution to the debate to be better informed. That Mr Speaker is what I thought. The battle that I have been waging for a long time, on the question of letting

people know what is happening, did not start when I went and wrote this letter to the Chief Minister. If you look at the records of this House, I have asked for the reports to be made public and certainly made available to Members of both Houses of Parliament. I also know that Mr McQuarrie, the Leader of the Gibraltar Group, has asked in the House of Commons for the Reports to be made available. The answer given to him there was that it was up to the Government of Gibraltar. The Government of Gibraltar has not seen it fit to do so. Mr Speaker, this is rather a terrible situation for the Government to get itself into, in that nobody knows, here or in England, whether this wonderful package deal that the Chief Minister has brought back from the United Kingdom is good or bad. He thinks it is very good and I hope he has not stuck his neck out too much, because in his statement he says that this is not only the best for Gibraltar but it's good in itself. I think now that he has already said that it is good in itself. Although I argue against it now, I do pray that it does work in the interest of Gibraltar and that it does turn out to be alright. However if it doesn't, Mr Speaker, and in my view it will not, then the British Government will turn round to Sir Joshua Hassan and say: "Mr Chief Minister, you came, you accepted it and you even thought it was good in itself. Not only the best for Gibraltar, but good in itself". It is very strange that the Chief Minister, who has always been known for the evasive way in which he tackles every issue, should have been so definite on this one, on which all the Reports that I have read prove that there is nothing about them at all that shows that it is feasible. Yet he goes beyond all those reports and says: "I know it's good in itself, it is the best we can have for Gibraltar". I don't know why. Is it that he was seduced by the Prime Minister or is it that he was coerced politically by the Prime Minister? She is known to be capable of doing both.

MR SPEAKER:

I will ask you to withdraw your last words.

MAJOR R J PELIZA:

Alright, I withdraw it. I can see nothing wrong in what I have said.

MR SPEAKER:

You have insinuated that the Prime Minister in the United Kingdom is known for seducing people.

I will remind the public gallery that as a basis of democracy it is right that they should attend the sittings of the House of Assembly. They are here as spectators and not to either make a comment or interrupt the proceedings. I am sure that it has been done purely out of ignorance or emotional stress but I would ask them to realise the reasons why we are here. We are discussing a very important matter and Members must not in any manner or form be inhibited in carrying out their duties by the fact that they are subject to comment or pressures from the Public Gallery. I will not tolerate it, although I am sure that what has happened has been done without intention, but it cannot be tolerated.

MAJOR R J PELIZA:

I was talking, Mr Speaker, in a political sense.

MR SPEAKER:

Yes, but one must be very careful that the political sense does not have a double meaning.

MAJOR R J PELIZA:

One knows very well Mr Speaker, that no other interpretation can be taken. I mean, that would be very far fetched and certainly not what I have said. It is a fact that Mrs Thatcher has a very persuasive personality. There is no question about it. Whether this is put one way or the other to stress the fact, Mr Speaker, it is so. That is because, I am working towards the situation, and that is because the ground was not prepared; the Chief Minister found himself cornered and has now cornered Gibraltar. That is the problem. Gibraltar now being cornered, it is going to be quite a job getting out of it unless, as my Hon Friend here has said, we have a general election. I hope that the Chief Minister, out of what I would consider to be a true political, democratic way of sorting things out, does the proper thing. If he wins the election then of course he can be sure that Gibraltar, will then have to unite behind whatever he may have done. As far as I am concerned, that is that and I shall put my full weight to see that his conclusions come to a good solution. Whilst I believe, as I do, that this cannot lead to the sort of wonderful future that seems to be indicated by what one reads in certain reports, whether there is going to be as much unemployment as there is now, and, in fact, that it will be even better than it is now in that, Mr Speaker, I am not so childish as to believe other people. Perhaps the Chief Minister has believed when everything points to something different. Mr Speaker, I have here, the Wall Street Journal and it refers to a Portuguese Shipyard ending a strike by offering to pay half of unpaid wages. The date of the paper is Friday 22nd. It is a report from Portugal: "Workers striking at the Lisnave Shipyard to protest pay cuts, agree to return to their jobs in exchange for some back wages". They had not been getting wages in the past. "The 6,400 employees and the shipyard owners, Lisnave Esalieros Naval de Lisboa, agreed on 3 months truce while the company seeks financing to meet the payroll. The workers were promised 50% of the wages owed to them for May and June, when they were paid only half their pay. They stopped working three weeks ago, although most continued to show up at the shipyard for days. The agreement didn't set strike pay levels, however the Company posted a 45 million dollar loss last year and said it can't cover it's payroll without financial help". That Mr Speaker, is Lisnave in Lisbon, 22 July. If we extend ourselves, I can tell you from the same Journal since I read it not so long ago, the shiprepair yards in Holland, in Belgium, in Germany, all of them have been cutting down their forces, all of them are being subsidised by their respective Governments. If we come nearer, to Cadiz, the situation is not better, and if we look nearer here we get news in the Telegraph - and I won't read it, Mr Speaker, because most people have probably read it on Monday - that

they intend to open one here in the Bay. So, surrounded by people who may finish up by working for a rice bowl, we in Gibraltar are going to try and maintain the same sort of standard, that we are enjoying today, with commercialisation. I fail to understand how that is going to be possible. I say, I wish it was true. How is it then that we have faced this business on how prosperous we are going to be. I haven't seen a sound market research. I haven't seen an analysis of where all the ships that are going through the Straits are now going for their repairs. The reasons why they are going for their repairs there, how much they are paying for the work that is being done, and what is the degree of satisfaction. Nothing of this sort has been done. If someone had made that market research and had brought it to me and said: "Look, we can offer those ships that go, say, to New York a, b, c, d, and therefore I think it would be more convenient for them to come here. Price-wise, it would be better for them, so I think that we would have a chance of capturing, say, ten of those, twenty of those, fifty of those etc, therefore I think that we do have a viable proposition. Furthermore, as obviously the firms that are now being used, will notice that they are losing established clients, they are going to react to keep the business. We can keep all this in reserve and then if they do that, we will do this and in this way we can go forward". Having said that, I will say yes, commercialisation has a chance. But to tell me: "(x) number of ships go through the straits of this type or the other type and I believe that this time we can get so many and the other time we can get so many and we put them all together and we are going to be viable". That to me Mr Speaker, is very short of being a pipe dream and I would not buy it and the proof Mr Speaker, that of the 60 firms that were interested, notwithstanding they were getting good capital, £28m from the British Government and guaranteed work of £14m or £11m is a good proposition for any businessman who is prepared to put in, say, 10% of that or 20% of that, it is jolly good, isn't it because you are getting twenty million for every two million you put in, a good proposition, we have not found one. Of the sixty we were left with six, of the six three are supposed to be very small, of the three left only one was thought to be capable of doing it. On commercial grounds it is clear that that is not the sort of proposition that any businessman, unless he has lost his senses, would put any money into it, except that they have, for certain, business people who may already have room in Gibraltar and were prepared to put in a bit of money, perhaps out of patriotism and the fact that they are more interested perhaps to come outside. There is perhaps a case for that kind of business in Gibraltar. That kind of business has got to be more realistic that all the others because that kind of business knows exactly what it is doing, and it is no doubt to sell. Mr Speaker, I have had a look at Appledore. The report is silent on the question of their financial situation. We don't know what kind of a company it is. I made it a point of finding out and I have, Mr Speaker. From the financial statement for the year 30 September 1982 in its International Directors' Report, Appledore is very much like an empty shell, very little. Therefore they are not putting in any money. They are getting £300,000 this is all disclosed I am not disclosing any secrets, £300,000 pounds a year of fees regardless of whether the company makes money or not. Therefore, Mr Speaker, it is very simple, the company is very difficult to understand because it has a lot of companies all over the place and it is very difficult to understand the statement. One thing I can understand and that is that as regards A & P Appledore, the appropriate profits carried for-

ward on the 30 September, 1982 was £257 and 395 pence. This was for the whole company. I am sorry, £267,395. That is a fact. There are provisions here stated. For instance, there are £222,000 which could be taxed and which they have not included in the sums because they have put aside into an employees trust over £300,000 - and by the way, the employees are mostly directors - which is subject to income tax. Then they would have to reduce the amount by £222,000. There is also a possible claw-back, based on the stocks, of over £50,000 which again, if they have to pay tax, not only would the £50,000 be less, but also £100,000, which obviously is stock that was not there if one calculates 50% tax on that. So, Mr Speaker, we look at the assets, and these are about just over £300,000. They consist of a lease, cars, of a computer, and a word processor but that is book value, Mr Speaker, book value. This means that if we have to pay at the end of the day there will be no money there. One can understand that because it's essentially, as you might say, a consultant company and that is what they are supposed to do. I am not blaming them. They are doing what is in their interest to do but that is not necessarily what is in the interest of Gibraltar. It is rather interesting for the Chief Minister to say then, in his Report, that the British Government is putting its money where its mouth is? The British Government is trying to save money by putting money into commercialisation so that they are able to disengage from the Dockyard. I don't know how the Chief Minister can come to those conclusions. The British Government, it is quite clear, want to disengage. They don't want to pay the £13m a year that they are paying now. Therefore, they believe that it is a good proposition to pay £28m plus 14, say £40m redundancy money to Gibraltar, not to the workers, to Gibraltar and that is the end of that. After that we have certain commitments which are not more or no less than the commitment which I think the Chief Minister refused when he had to choose, literally, he had to choose commercialisation. What was the alternative? The alternative, Mr Speaker, as I read from that statement when he talks about budgetary aid, was that a pistol was pointed at the Chief Minister: Either you take commercialisation or there is nothing else. If there was something else, I would like the Chief Minister to tell me what it was. Now what was the something else. The something else, obviously, was "support and sustain". Now we cannot believe, and I am sure the Chief Minister will agree with me, that the British Government is going to sustain and support Gibraltar to the tune of the standard we have today. I don't believe that it will. Therefore what will they do? They will say, "If eight million pounds or ten million pounds is what is required to get things as they are going today, that is too much money". That is what we mean by budgetary aid. We know that there are lots of Government Departments which are inflated, we know that. My God, they are going it in England. We shall find a few inspectors coming round, having a good look and making things difficult for everybody because they are just not going to pay what we are paying for our own departments. Certainly they are not going to pay one million pounds extra to the Electricity Department. I can tell you that. It is obvious therefore, that support and sustain was the other alternative that the Chief Minister had because he probably was told: 'We are closing the Dockyard willy nilly and either take this or leave it but otherwise that is that'. This is where I think the Chief Minister went wrong. Well I think he went wrong at the beginning. I think it went wrong because he never united and mobilised Gibraltar which is what was fitting. Basically it is this, when

we needed a Churchill we got a Chamberlain. That is the position of Gibraltar today. The Chief Minister lacked the courage to do so and I hope I can give him some today so that he does go to an election because this is the only way that matters can be put right. I do hope that he gets that courage to do it. He did not have the courage to say: "Well that is not the way that I am going to see this problem. It's most unfair to Gibraltar to put it in the position that you are putting me now". If that is the case, I am going to openly say so. I am going to say: 'Commercialisation is not a viable proposition, as far as I know from the reports that I have, that I have paid for myself, and as for the other alternative that you give me, I don't think it is fair that that is the position that the people of Gibraltar should be put into after giving so many years of loyal service to Her Majesty's Dockyard. This, of course, was there, Mr Speaker, let us look back' to how the whole thing started. In June 1981 the White Paper came out and said that, well, maybe some day it would happen. Chatham had the closure date for 1984, Gibraltar was more or less indefinitely until they found a viable proposition. Then in November, through a question in the House of Commons, the Government of Gibraltar got to know that Gibraltar was closing in 1983. That is the way that we got to know about it. There was consternation and incredulity, to use words that were used by the Government in those days. Quite rightly, because that is certainly not the way to treat Gibraltar and I certainly would never have stood for that. What do we do after that. Immediately Members of Parliament, on their own, took it up. I, of course, immediately started writing. I can assure the Chief Minister that I must have written over two thousand letters. The point is that immediately the Members of Parliament started putting up early day motions. I can read one, which I think is perhaps very interesting, by Patrick Cormack and Keith Speed, who make it quite clear in their amendment that they did not want the Dockyard to close. They put it as follows: "That this House deplores the proposals to close the Gibraltar Dockyard and after the outstanding loyalty displayed by the people of Gibraltar under years of Spanish blockade and calls upon Her Majesty's Government to reconsider its decision, in view of the strategic importance of Gibraltar and of the effects on employment which the closure will have". That was the time, Mr Speaker, to have followed the whole matter up. I have said it time and time again in this House. I said it every time that I possibly could edge a word in: "Let's make the Gibraltar Tourist Office into a centre of information for Gibraltar. Let's get Members of Parliament really interested. Let's have a leaflet published". The reply I got there, which I think was very mean, was: 'He wants a job in the UK'. I have plenty to do, Mr Speaker, in the UK. I do not need to do that. However, I think that it is very very sad that we should have missed that opportunity because I am sure that if we had done that then and if we had pursued it, united as we did the Nationality Act, today we would not be facing the terrible situation that we are likely to face. We lost that, Mr Speaker, and the most we did was then in March 1982 when we wrote a memorandum, on which we have been talking earlier today, to the Secretary of State to which, I personally, have not seen a reply. I do not know whether there was ever a reply. It shows the state of affairs that apparently nothing happened. If there was a reply, the people who signed it - and certainly I didn't get to know - and if there was no reply, nothing was done to get it. I would like to read the important paragraph of that memorandum because it was not just to extend

the time of the Dockyard. I will read it, it is number 16: "More specifically, we ask that the closure and the action preparatory thereto be deferred and that a continuing programme of naval work be provided until such time as Gibraltar has had a fair and reasonable chance to identify, and in consultation with the British Government, establish a viable economic alternative. We cannot suggest a precise period of extension because we cannot know how much time would be required to achieve this objective. We must however make it clear that we are not seeking deferment for its own sake or for any indefinite period. Indeed we are advised that if and when it is established that a commercial repair yard would be feasible and viable, it would not be in Gibraltar's interest to delay a phased transition unduly". I certainly agree. Nothing would I like to see more than for Gibraltar to become economically independent. That would almost be Gibraltarian sovereignty. That is what it would be but do you believe that the Spanish Government, for one moment, is going to allow that to happen when that is tantamount to their losing their claim to Gibraltar unless they use force. Whilst Britain is involved with Gibraltar there are overriding matters of western defence that we have seen before and, in fact, it is stated in the Lisbon Agreement that the Lisbon Agreement was in interest of Western defence and all the rest of it. There might be other national interests whilst Britain is a party and has got the purse strings. I think the Spaniards have a hope that, perhaps, one day, they will force Gibraltarians to negotiate. In fact, I will read a letter that I sent to Mrs Thatcher last Sunday which I would like to read with your indulgence, because I think it is important enough to have it recorded in our Hansard.

MR SPEAKER:

If it is relevant then most certainly.

HON MAJOR R J PELIZA:

Yes it is, Mr Speaker. I will read the letter because there I will quote what I was going to say. It is the 24th of July and I managed to get someone on the plane who posted it from London. "Dear Mrs Thatcher, Nothing is known of the negotiations in progress but the comings and goings of Ministers indicate that, whilst the decision to close the Naval Dockyard is unfortunately not likely to be reversed, a package deal with a commercial dockyard as its centrepiece is about to be finalised. Your reply to a question in the Commons on the 9th July, I quote" - this is what she said - "We believe that a commercial dockyard provides the best future for Gibraltar, points to this. Forgive me if, unlike you, I fail to understand why a commercial dockyard should provide the best future for Gibraltar, particularly when Mr Lamont, your Minister for Trade and Industry, said on the same day in Parliament, and I quote: It is the Government's view and also the view of the Corporation that it ought not to remain long term in ship repair. It is undoubtedly the situation that there is too much capacity for ship repair, unquote. In none of the consultants reports paid by ODA is there information based on a sound market research giving a detailed analysis of where the

ships passing through the Straits, which are potential customers, are being repaired at present, what makes it convenient for them to make use of those yards, the cost of the repairs and the degrees of satisfaction. Nor is there the counterpart information to show that Gibraltar will offer them something better than they are getting. Nor is there information on the margins Gibraltar will have on reserve to regain the business gained once the yards lose their established businesses and react commercially to regain their lost clients. The £30m or £40m experiment is being undertaken on the rough and ready assumption that x number of ships pass through the Straits and that a sufficient percentage of them will be attracted to make the enterprise viable. No wonder private investors have shown no interest to participate. It shows that, on a commercial basis, there are no reliable facts and figures on which to build a repair yard as the mainstay of the blockaded economy of Gibraltar. On the political front, the situation is even more precarious. Spain continues to apply measures to undermine the stability of the economy for which Britain is responsible under the Constitution. She has been doing so since she forced the fish cannery to close and followed it up with a multitude of restrictions in the bay, air and border. They have failed so far because they have been unable to interfere with the economic base of Gibraltar, the defence spending, on which primarily the Dockyard provides the income with dignity that gives the community self respect and a livelihood. The economic consequences, if the income from the Dockyard is cut, will raise Spain's hope of winning their economic war. I quote from a paper written in Spanish by Senor Antonio Gomez Lopez, a Spanish Government official, in February, 1983, for the Revista de Economia, and the translation is mine, quote: Britain's will to negotiate, and therefore to compel the Gibraltarians to negotiate will be made clear if the announced reduction of British aid to the Rock, which has been intimated with the possible closure of the Dockyard, is effectively sufficient in the measures so taken, unquote. It is unlikely that Spain, with under employed repair yards in Cadiz and an unused one in the Bay of Gibraltar with thousands of ship repair workers without jobs in the area, is not going to compete fiercely, with Government financial and diplomatic backing, to take away our potential business. In the light of past experience it would be naive to think otherwise. I have no Foreign Office intelligence, from the consultants' report or other sources, of possible measures the Spanish Government could take to make the best of the closure of the Naval Dockyard nor whether Her Majesty's Government intends to retaliate by meeting subsidy by subsidy, inducement by inducement or coercion by coercion. Spain is said to have used such tactics to attract ships from Gibraltar to Ceuta and Algeciras. In the past, retaliation has been ruled out and substituted by the support and sustain policy which has given Spain a free hand with the restrictions. It does make sense both economically and politically to retain the Naval Dockyard for the present, to phase into it commercial work coupled with the productivity improvement outlined in the report and to simultaneously encourage new developments and industries planned to be viable in a fully open border situation when Spain, in accepting the Treaty of Rome, has to respect the rights of the people of Gibraltar. It would be tragic if you, Prime Minister, the Liberator of the Falkland Islands were to give comfort, hope and encouragement

to the Spanish Government to intensify their campaign to break the will of the people to remain British. My eleventh hour attempt to persuade you to re-examine the situation may not succeed but at least I have the satisfaction of doing hitherto what is within my power democratically possible as an elected Member and a former Chief Minister". I felt, Mr Speaker, that it was my duty, since the Chief Minister had in no way consulted the Opposition and in fact having rejected at the last moment my Hon Friend, the Leader of the Opposition, who has been bending backwards all the time to try and act jointly with him - certainly at his political expense, I could say that. - At the last moment when he was going to see Mrs Thatcher he was told he could not go notwithstanding that a few hours before he had been invited to do so.

HON CHIEF MINISTER:

If I may, I would like to say that the Hon Member should know better. The Leader of the Opposition has been acquainted of the situation by the Governor and I hope he will be able to say that that was not the way it happened.

HON MAJOR R J PELIZA:

No doubt, Mr Speaker, my Hon Friend has got the last words and he can expand on that. All I can say is that, to my knowledge, this has happened and it is very, very regrettable that the Leader of the Opposition was not there because perhaps, in counsel with the Leader of the Opposition himself, it might have been possible to find another formula other than the take it or leave it one with which he was presented. I think that this is lack of considerable statesmanship on the part of the Chief Minister who has been in office for nearly thirteen years. I think that there is only one explanation, that it is both the mental and physical fatigue of being in Government for so long. I cannot think of other explanations for such a behaviour, Mr Speaker. This is why I think it is so important that an election should be held as soon as possible. The Leader, Mr Speaker, of the AACR, Chief Minister for many years, has finally led Gibraltar to the cliff. All that remains is for him to tell the people to jump. If they do as he says, as they have been doing up to now, I think that will be the end of our community. For his sake, Mr Speaker, I hope that that doesn't happen. I think it would be a good idea if there was an election and I have reasons to tell him because the fact remains that we are in the most critical situation that we have ever found ourselves in. Mr Speaker, I therefore have no hesitation in commending and supporting the amendment to the motion in the name of my Hon Friend. I do not myself think that any of those points are incompatible. In no way are they incompatible, Mr Speaker, because, I think, we deplore lack of consultation which I do not think even the Chief Minister can say, he might have a reason for not having done it but, certainly he cannot say that there were consultations. He may have a reason but he has not given it. That is the tragedy, that this Government does things without giving any explanations. He may have very good reasons.

I would like to hear why he has not consulted the Opposition when, in the first place, he said he would. To suggest that bringing the motion to this House is consultation, no. He is asking us to give him a rubber stamp. He thinks that the Opposition is a rubber stamp. I think that obviously he knows that that is not the case. That, Mr Speaker, there is an obligation on the part of the British Government there is no doubt. That we welcome a deferment, yes I hope that it will give time if we are elected, if there is an election. Although we cannot make enough noise outside to persuade the Government to change their minds, well, perhaps we stand a chance to try and get those reports made public. Perhaps even now, if the Members of Parliament were to know what the consensus of the reports, when read by intelligent persons, really is, Mr Speaker, perhaps they will realise that Gibraltar is not getting a good deal at all. Finally, Mr Speaker, I think that it is very much called for for the Government, at this juncture, to go to the people and find out if they are in agreement. This is a democracy, as I said before, and I would be the first one, Mr Speaker, to support the action of the Government then.

HON A J CANEPA:

Mr Speaker, I am going to be very brief at this stage because there are just a few points on the amendment which I have made a note of and which I want to reply to and also in respect of the intervention of the Hon Major Peliza. In the first place, it is not correct to say that there was an invitation to the Leader of the Opposition to accompany the Chief Minister to see the Prime Minister. What there was talk about and what the Leader of the Opposition was asked about was whether he would be able, if the Chief Minister invited him, to accompany the Chief Minister to see the Foreign Secretary, not the Prime Minister. The question of the Prime Minister had not arisen at that stage.

HON P J ISOLA:

If the Hon Member will give way. The only two people who can give evidence on what has happened is myself and the Administrative Secretary who telephoned me at 7 o'clock at night on Tuesday 21st June, an hour and a half before I sent my own letter to the Chief Minister in reply. What I was told, and I hope Hon Members will accept what I say, was that the Chief Minister had enquired whether I would be prepared to go to London with the delegation the following week. I was not told who we would be seeing, absolutely right, there. Then I told the Administrative Secretary that I would have to consult with my colleagues. I consulted with my colleagues and they said that on a matter as important as this, despite the current controversy, on letter-writing, I should go. I telephoned Mr Pitaluga at about half past seven that Tuesday evening and told him that I accepted the invitation to go to London, whereupon he told me: "We will see you in London next Tuesday" - because he was going off for a dinner - and I said: "Yes, I am not quite sure whether the invitation will stand once the Chief Minister gets my letter". That is what happened and I am sure the Administrative Secretary will be able to confirm.

HON A J CANEPA:

I do not dispute that for one moment. That is his version of a telephone conversation but it does not alter the point that I am making. It was not in respect of a visit to the Prime Minister, it was in respect of a visit to see the Secretary of State for Foreign Affairs. The situation subsequently altered completely. Mr Speaker, the Opposition in Gibraltar are much more involved in, up to a point, the business of Government in respect of the reports that we make available to them. Far more are they involved here in the House and they get far more information than what the Opposition get in the United Kingdom. I have not a shadow of doubt that the Opposition would never get to see the kind of reports that have been made available here in Gibraltar to the Opposition recently. I don't know whether there is any point, in any case, because according to Major Peliza, he said that he had not seen a sound market research. Either he doesn't know what he has seen, and he should if he has read the report, or, I don't know. Surely the reports that he got were

HON MAJOR R J PELIZA:

Will the Minister give way.

HON A J CANEPA:

I will finish in a moment. The reports that he got were the consultants reports, Coopers and Lybrand. He got that and he got a report by A R Belch and Associates. These reports contain a market research. Then, he doesn't know what a market research is, I am sorry to tell him. Moreover, in the evaluation of the proposals of the potential operators, the consultants also looked at the market research of all of these operators and that is why, in fact, the consultants recommended the requirement for naval work in the initial years, precisely to help in the question of viability. I will give way now to the Hon Member if he so wishes.

HON MAJOR R J PELIZA:

First of all I would like to tell the Minister that the best way of resolving this argument is by making the reports public to start with. Secondly, I suspect that a lot of what is in the reports is just a lot of words which need not be there. The important thing where are the ships being repaired now, why, at what cost? What is the degree of satisfaction? Of those, how many can we attract and then if we do how can we compete once the feared competition starts from the established yards? There is nothing like that in the reports, nothing at all.

HON A J CANEPA:

Appledore, in the market research which they conducted, had to analyse those factors. I think that what the Opposition are trying to do is to throw a general air of despondency. Despite the question mark about viability, about which I shall have more to say in my intervention on the substantive motion, the fact of the matter is, and the Opposition have chosen to ignore this, that the consultants and even Mr Casey, the consultant we commissioned out of taxpayers money for the £20,000 report, that the Hon Member has referred to, even Mr Casey recommends commercialisation and the sooner the better.

HON P J ISOLA:

If the Hon Member will give way.

HON A J CANEPA:

No, I won't give way.

MR SPEAKER:

No, with respect, you will have the right to reply. Perhaps this would be a convenient time to recess for approximately twenty minutes for tea.

The House recessed at 5.30 pm.

The House resumed at 6.00 pm.

MR SPEAKER:

I will remind the House that we are still on the amendment as moved by the Hon and Learned the Leader of the Opposition and that any Member who has not spoken to the question is free to do so. Do I take it that there are no contributors to the question before the House? I will then call on the Hon and Learned the Leader of the Opposition to reply.

HON P J ISOLA:

Mr Speaker, I am surprised that no Government Minister has replied in substance to what has been said on this side of the House in support of the amendment proposed. No explanation has been given by the Hon and Learned Chief Minister for the lack of consultation there has been. No indication has been given as to whether the Government will accept the amendment proposed. I suppose that the reason for this is the anxiety of the Government to finish this debate, get it over with and also, I suppose, the desire of Government Ministers to speak on the substance of what I have said, and what my Hon and Gallant Friend has said, afterwards in the general debate when we will not be able to reply to what is said in argument. This, Mr Speaker, only

serves to highlight the inadequacy of the process that has been thrust upon this House by the Hon and Learned Chief Minister and his Government in calling this process that we are going through consultation. It appears that I am to say what I feel on the motion, I am to give my reasons as to why this side of the House disagrees with the motion, I am to suggest amendments to this House to the motion proposed by the Hon and Learned Chief Minister and I am not to be able to answer the reasons that the Hon and Learned Chief Minister will give why he is rejecting this motion, if he is, until the end of the debate. That, to me, shows very clearly indeed that the Gibraltar Government is thrusting this agreement down the throats of this House without any meaningful discussion. I think that is a matter of great regret. Mr Speaker, the only point of substance or the only point that appears to have been raised, and strangely enough by the Minister for Economic Development, has been on the question of the recommendations of the consultants, all of whom have said: "Accept commercialisation". At least one of those reports was there on his table, he had seen the report, when during the budget he expressed serious doubts about viability and when the Hon Major Dellipiani said: "The Naval Dockyard is just not viable". It was there when the Hon Financial and Development Secretary said that he had serious doubts about the economy generally as a result of the closure of the Dockyard. What has happened, Mr Speaker? Is it that Government thinking has been exactly like that of the consultant, that it is a question of take it or leave it? You take commercialisation, whether it is viable or not, because we are going to close the Dockyard and that is it. That is why the Government is accepting commercialisation? That is the only interpretation I can put to the remarks made the Minister for Economic Development because, in the absence of publishing, as we seek in our amendment, the contents of the consultants reports, people cannot see or will not realise or will not appreciate how misleading the Minister for Economic Development and Trade has been in saying that they all recommend that commercialisation should be accepted. Of course they do, because it is better to have a commercialisation going for two or three years with British Government help and financial assistance than have a closed Dockyard. That is basically what they say and if that is not what they say, publish the report and let people make their own judgement. That is the problem. The problem is that the Government, Mr Speaker, because it has gone it alone, because it has made its own conclusions and not sought the assistance of anybody else in Gibraltar and not formed a Gibraltar view on the matter, has not stuck to its original guns, on which it has had all party support, that the British Government stated in the Defence White Paper that if they wanted or if they decided to close the Naval Dockyard they would give consideration, in consultation with the Gibraltar Government, of alternative ways of supporting and sustaining Gibraltar. When you talk of supporting and sustaining Gibraltar, in the context of a Naval Dockyard which is the case of the economy, you are talking, Mr Speaker, of a very big alternative. Not just one that is thrust upon us because either you take it or you take the consequences of a closed Dockyard. I am amazed that there has been no real response from the Government benches to the serious criticism that has been levelled at the agreement and incorporated in the form of an amendment to the motion, precisely to allow discussion on the matter, precisely to allow

full discussion on the matter and to enable me to reply to what the Chief Minister has to say to it but which I will not not be able to do unless we can think up another amendment. We cannot because he has the last word. He just stays sitting down, Mr Speaker, and at the end of the debate he has his say and then he will report back to London: "We have had full consultation with all the parties in the House of Assembly but, incredibly enough, they have not agreed with the deal that we have made". That is the pity, Mr Speaker, and it is a tragedy because the question of the commercialisation of the Dockyard, the issue of commercialisation is the biggest issue that we have had to face in Gibraltar, in sheer economic terms, after the Spanish economic blockade in 1964 and their closure of the frontier and the effects all that had on the economy then. I just cannot see, Mr Speaker, how, having regard to what the Chief Minister said on the 22nd February, 1983, he has not risen to explain to the House on my amendment why he has had no consultation with this side of the House. We have not, Mr Speaker, even been told that the Government is going to oppose the amendment. We make the assumption because it would seem to me quite incredible that they should vote for the amendment without the Chief Minister at least getting up and saying why they are voting for the amendment. So the situation is, Mr Speaker, that the process of consultation is even worse than that envisaged by the Hon and Learned Chief Minister.

HON CHIEF MINISTER:

If the Hon Member will give way. I propose, according to Standing Orders, as leader of the House to conduct the business in the way I want. He cannot, as Leader of the Opposition, tell me how I should run my business. He can run his own in the way he wants to and make as many replies as possible but we are the privileged ones because we are the Government and it will be conducted in the way I think best. All the matters that have been raised will be answered in their proper time, not with another amendment and another amendment. We will be here until midnight tonight and get on with the business and leave all this nonsense. The Leader of the Opposition well knows that nobody, no decent Government, could accept that amendment asking us to go to the country or to do this or that. These are only tactics and I want to show them for what they are, tactics. I will not fall into the trap of giving him more and more material. He can do that with all the other amendments. I give him notice now that all the amendments he or any of his Members bring will be voted upon against if there is no merit in them, as in this one, and no discussion will be taken.

HON P J ISOLA:

Mr Speaker, the threat of sitting until midnight, I don't know why that is made necessary. I don't know whether that has anything to do with the fact that certain Government Ministers want to get away from Gibraltar soon but I think, Mr Speaker, it is extraordinary.

HON CHIEF MINISTER:

In the days of Major Peliza we used to sit here until midnight.

MR SPEAKER:

Order, order.

HON P J ISOLA:

I don't want to prolong proceedings more than is necessary, Mr Speaker, and I see no reasons really for moving any more amendments. I think we have moved a comprehensive amendment to the motion that puts our position clearly. It is amazing, Mr Speaker, I cannot say anything else, that the Hon and Learned Chief Minister should assure this House on the 22nd February: "We want full consultation, we want full discussion", and he comes to this House and for the first time in my experience, Mr Speaker, on a debate of this importance where inevitably there had to be an amendment to a Government motion on a big issue which is not agreed to by the Opposition, where it is inevitable that an amendment is moved, that the Government does not reply to it even. It shows the contempt with which the Hon and Learned Chief Minister deals with this House. It is not the first time he has shown this, Mr Speaker. It is not the first time he has shown this, since we have had this problem since June 1983 when he refused to even tell the House what had been going on in London. He refused even to tell us that the British Government had said that they would close the Naval Dockyard and we have had to get that information from the Prime Minister in the answers she has given in Parliament. We have had to get that information from Baroness Young, writing to MP's. We have had to get that information from the Foreign Secretary's letter to me, but from the Chief Minister we have not had a scrap of information and that, Mr Speaker, is treating this House with scant courtesy. Here we have got an amended motion in which I thought my contribution was argued reasonably I thought I put the points that had worried us and they are serious points. We are not going to be bamboozled into accepting a situation just like that and I would have thought they merited some reply, if not from the Chief Minister, from another senior Government Minister. That, Mr Speaker, is the essence of democracy, argue and discuss. The Chief Minister himself said on the 22 February that it would be terrible to make a decision as big as the Naval Dockyard and its future without some attempt at agreement between both sides of the House. He himself is the first one who refuses to follow that procedure. I have to remark on it because the person who is employing tactics is not the Leader of the Opposition, who has put an amendment to the motion showing his discontent. The person who is employing tactics is the Hon and Learned Chief Minister himself, who wants to speak only at the end when nobody can answer him and not in the middle of this debate when I would have had an opportunity to do so if his arguments merited reply. I am sure they would have merited some reply and I would have had an opportunity, Mr Speaker, to reply to him.

Now it seems that he will have the last say, he will make his speech, nobody will be able to reply to him because of the procedures of this House. Is it being suggested, Mr Speaker, that because they have a majority and they have a Government then they need not talk, they need not explain, they just vote us out of existence? Is that the consultation that he has had with the Prime Minister? Is that what Mr Stewart meant when he said in the House of Commons that the Hon and Learned Chief Minister was proposing a motion to the House that afternoon to get approval? Is that what the Minister for Economic Development thinks of consultation and approval, that they need not reply, they need not say a word, they just vote us out of existence? Well, fair enough, if that is the view.

HON CHIEF MINISTER:

If the Hon Member will give way. This is a harangue in reply to a motion that has not been discussed and he is having the whole way. If he has started that way he will get more resistance because he cannot have the floor all the time. He is frustrated, I know the Leader of the Opposition for so long, well, not so long, but anyhow for a while, and he carries on saying the same thing and the same thing and we are not prepared to put up with it, as simple as that.

HON P J ISOLA:

Yes, Mr Speaker, I am coming to the end and may I say that at least I have got the Hon and Learned Chief Minister to say something in answer, if only in anger. At least we got him to say something.

HON CHIEF MINISTER:

I am just saying that you are keeping the floor all the time. That is all you do.

MR SPEAKER:

Order.

HON P J ISOLA:

There he goes again. Mr Speaker, I do not think I should give way anyway, should I, because the Hon and Learned Chief Minister has had an opportunity to reply which he has declined, of course.

MR SPEAKER:

Will you speak to the Chair.

HON P J ISOLA:

I will speak to the Chair, Mr Speaker, I thought I was looking at you when I said of course. That is the reality. Mr Speaker, there is nothing we can do about this obviously because of the rules of the House. However it is a matter for great regret, Mr Speaker, that the Government has decided to consult the House in the way that they have done and further has deliberately stopped debate across the floor by deciding not to speak on the amended motion and therefore eliminating any possibility of their arguments being demolished. It looks as if the debate must go from this House to outside this House, Mr Speaker. It is a pity it has to be that way. Mr Speaker, I commend the amendment to the House.

MR SPEAKER:

Is a division wanted?

HON P J ISOLA:

Could I ask, Mr Speaker, if we could take clauses 1, 2, 4 and 5 together and 3 separately on a division? I think we should vote separately on: 'welcomes the deferment of the closure of the Dockyard for one year'.

MR SPEAKER:

Most certainly, as I mentioned at the beginning of this debate on the amendment, we can most certainly take two votes.

Mr Speaker put the question on the terms of the Hon P J Isola's amendment and on a division being taken on paragraphs 1, 2, 4 and 5, the following Hon Members voted in favour:

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

The following Hon Members voted against:

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

The following Hon Members abstained:

The Hon D Hull
The Hon R J Wallace

Paragraphs 1, 2, 4 and 5 of the amendment were accordingly defeated.

On a division being taken on paragraph 3 of the Hon P J Isola's amendment, the following Hon Members voted in favour:

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

The following Hon Members voted against:

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

The following Hon Members abstained:

The Hon D Hull
The Hon R J Wallace

Paragraph 3 of the amendment was accordingly defeated.

MR SPEAKER:

We have now the original motion as moved by the Hon and Learned the Chief Minister to which, of course, the Chief Minister, Mr Isola and Mr Bossano have spoken. Are there any other contributors?

HON M K FEATHERSTONE:

Mr Speaker, I do not want to make very much comment on either the Hon Mr Isola's speech or the demagoguery of the Hon Major Peliza except to comment for the Hon Mr Isola's information that, of course, in this motion, which is a Government motion, the Chief Minister will have the right to be the last speaker. I would remind the Hon Mr Isola that over the past three years

we have had quite a number of motions emanating from Mr Isola and he has had the privilege of being the last speaker and I feel that

HON P J ISOLA:

Can the Hon Member give way, I am not complaining about that at all. Let me assure the Minister that I am not complaining about that. Mr complaint is not that he has got the last word, of course he has the last word. My complaint is that he has not spoken to the amendment. I do not deny him the last word, of course he has got the last word, I cannot deny it.

HON M K FEATHERSTONE:

I understood it that the complaint of the Hon Member was that the Chief Minister would say a number of things in winding up to which the Hon Mr Isola would not be able to make any reply. As for the Hon Major Peliza, he seems to be very hot under the collar about reports which are Government reports and are confidential but I think, if my memory serves me right, he was not so hot under the collar when the Opposition to him, when he was Chief Minister requested a sight of the Beeching Report and they were not even allowed to see it even under the agreement of confidentiality at all. It was just denied to them. So, sometimes it is the pot calling the kettle black. Sir, I said in February that the British Government had gone a long way down the road towards closure of dockyards in consonance with their new defence policy. They had stated that they were closing Chatham Dockyard, they were all but closing Portsmouth and that Gibraltar was also on the list. I said at the time that I did not see that there was very great hope in this situation being changed but that I was in agreement that once again we should knock at the door to see if we could get some change in the decision that the Gibraltar Dockyard would close and that one would hope we might have a successful result. Well, Sir, we did knock at the door and unfortunately the answer was still the same, the Gibraltar Dockyard had to close and we were more or less told that the date was going to be at the end of December, 1983. We were told at the time that the British Government was willing to give generous help if we were willing to accept commercialisation and that this help would be basically in three forms. The first was that a certain amount of money would be put in to refurbish the Dockyard and bring it up to modern standards. The second was that a sum of money would be available to help any new operator in the first two or three years to underwrite losses and the third would be a measure of definite work from naval shipping so that there was a chance for the new operator to start with a modicum of work already in his books. Sir, commercialisation, according to Mr Bossano initially and now apparently from the Hon Major Peliza, is going to fail. I would ask why? I have read the consultants' reports. I have not seen anywhere that it states definitely that commercialisation is doomed to fail. Even the latest reports of our own consultants, which the Hon Major Peliza apparently did not want to read but knows what it is all about, does not say it is doomed to fail. It is as stated in

HON MAJOR R J PELIZA:

Would the Hon Member give way. Well, it was just a remark that I had not seen it. I was just referring to what other Members who had seen it said in the House. By the way, on the Beeching Report, I might as well clear that. As far as I can remember the Beeching Report was to the Governor. He came to see productivity generally for the Dockyard. It was not within the responsibility of the Chief Minister to release it or not.

HON M K FEATHERSTONE:

I didn't know the Chief Minister had such little power in those days. Anyway, as I said, the Hon Major Peliza says that it is not viable on hearsay which, doubtless, he has got from the Members who have read the report. I would wonder whether they have read it properly because, the way that I read it, it seems to me that not only is commercialisation recommended but it is stated that it will be viable. Perhaps not in the time schedule envisaged by Appledore who were, if anything, rather optimistic. However, that it was doomed to failure was not what I understood.

HON J BOSSANO:

Would the Hon Member give way. If the Hon Member has said that what Mr Casey said was not that it was doomed to failure but that it would not work on the time schedule suggested by Appledore, I take it that the time schedule has not been changed.

HON M K FEATHERSTONE:

Yes, there has been a change in the time schedule because of the years' deferment.

HON J BOSSANO:

They are going to start a year later. Is Appledore saying that they expect to attain viability in eight years instead of four now?

HON M K FEATHERSTONE:

No, Sir, I am not saying that. Some years back, Sir, Singapore found itself in a similar situation. The British Government at the time was cutting down defence in the South-East Asia area and one of the things that they determined to do was to close down the Dockyard at Singapore. What did the Singaporeans do about it? Did they immediately say: 'All this is the end of the world, there is nothing we can do'. Commercialisation was offered to them but did they say it was non-viable? They said 'No, we will accept commercialisation. We will see that it is a success. We will rise to the occasion. We will make it work'. I wonder if the people of Gibraltar cannot copy their Asian

counterparts and do exactly the same. I feel sure that the people of Gibraltar can rise to the occasion, that we can make it a success, that we can produce the work. The skills of the Gibraltarian workers are well known. They have been proved time and time again. We can make commercialisation a success because commercialisation basically will be successful if we can produce the goods, and I am sure we can. Of course one is unhappy to see the comfortable niche of a naval dockyard economy disappear. Yet some would claim that a dockyard economy was a manifestation of British colonialism at its worst, in which the best jobs were reserved for importados, the best housing was reserved for importados, locals were to be kept in their place, they were to be subservient

HON P J ISOLA:

Wasn't that GLP/AACR thought

MR SPEAKER:

Have you given way?

HON M K FEATHERSTONE:

No, I have not given way, Sir. I listened very patiently to the Hon Major Peliza and the Hon Leader of the Opposition and I did not interrupt them once. They had, I think, a very good saying. They each spoke for at least one hour, I think there were no interruptions to any extent from this side at all and I hope the same courtesy can be given to speakers from this side. It is a pity that they don't always observe the rules of the House as much as they say that we should observe them. Sir, as I said, some people would have said that a Naval Dockyard was British colonialism at its worst. Well, that is obviously something that could be debatable but now we have a chance to stand on our own feet. Now we have a chance, as far as any nation can, to determine our own future. Obviously outside factors can influence us but a great deal is left to us. Mr Bossano says that the motion that we have put forward is unacceptable. He does not say what he would accept. That, of course, is one of the things that he has got tucked away in his briefcase like his plans for the economic salvation of Gibraltar that we have heard at budget time from year to year.

HON J BOSSANO:

I suppose he is not giving way to me either.

HON M K FEATHERSTONE:

I will give way to you, Mr Bossano.

HON J BOSSANO:

Mr Speaker, I have put several motions on the subject in this House, which the Hon Member has voted against. That is why I do not accept his and he has not accepted mine. I live in a democracy and I accept he has got the right to vote against mine but he cannot say I have not made any proposals, I have and he has defeated them.

HON M K FEATHERSTONE:

Well, he has not said at this juncture what he is willing to accept. In view of the latest situation that the British Government has stated most firmly and most unequivocally that the Dockyard would sooner or later have to close, perhaps he might have said: "Well, I would have accepted eighteen months or two years". If his only solution was the continuation of the Dockyard as such, I think that he is abandoning his normal logical approach and I think yesterday he spoke less from his usual platform of logic and more from a platform of emotion. Perhaps the situation is that he knows that election days are coming near and he prefers to play a little bit to the gallery and to the electorate than use his usual cold logic and approach to the situation. I think the Hon Mr Bossano should read his early English history and learn a little from King Canute. This King showed his followers that, come what may, you cannot stem the inevitable flow of the tide and today the tide of British defence is flowing inwards in such a way that, perhaps unfortunately, sand castles of dockyards at Chatham, Portsmouth and lamentably Gibraltar are going to be washed away. There is not very much that we can do about stopping the flow of the tide. We have tried. Friends in Parliament have asked about it. To all the answer has been the same: British defence policy and strategy is such that Dockyards have to close, amongst them Gibraltar. Yet Gibraltar has, time after time, been offered considerable assistance in seeking an alternative, which assistance has not been offered to places like Chatham and Portsmouth where they have just had to take their chance and go on to the mounting numbers of unemployed in Britain. We have tried to ameliorate the decision and see what we could do to turn a difficult situation into what could be considered the best of a bad job. Against the odds, our negotiators have got an extension of one year for the Dockyard. That alone is worth some £13m from the British Government, so it is not too bad as a start. Then I would comment that this year's extension was not the initial step. The first step they offered us was only a six month's extension and they considered that that was very generous. However when Mr Ian Stewart came out here, Ministers put forward very forcibly the Gibraltar viewpoint and I think in all modesty we can say that Mr Stewart was impressed, went back and fought Gibraltar's case with his Cabinet colleagues for an improvement over the six months and we have got the one year extension. What is the deal that we have got? If you do not want to call it a deal you can call it a package. Apart from the Dockyard extension, we have obtained what was already on the table, the £28m to refurbish the Dockyard into a modern dockyard and to cover losses over the first two years. We have also got

an increased order book and it is very pleasant, I should think, for any operator to start a new business with an order book which for the first three years was 40% to 50% full. The amount of business envisaged in the Dockyard per annum is somewhere around £9m to £10m of work and that over three years is some £30m. Furthermore, if you have got £14m already on the order book, in fact, more than £14m because work on small craft to the tune of £2m to £1m per year is also going to be added, then you have got your order book half full. If that is not a pretty good step towards initial viability I wonder then what is. One of the points that was very strongly brought up by Ministers in Gibraltar was that the question of the Dockyard closing and being replaced by commercialisation was not sufficient, that what was needed was a strong look at the whole economic structure of Gibraltar and that what was required was more, so that the economy of Gibraltar as a whole could become more viable. The strongest effort in this was seen to be in the question of land. Therefore the British Government were pressed that areas of land, especially those bordering the seafront, should become available to Gibraltar so that they could be developed and improve the economy, especially the tourist economy, of Gibraltar. The British Government has acceded to this. They have agreed that a long area of Queensway, starting from the Dockyard Technical College, soon to be called the Gibraltar Technical College, all the way to the north gate of the Dockyard, should be handed over as soon as possible to the Government of Gibraltar. Under normal circumstances the move of such entities as the MOD stores in that area and the NAAFI would have had to be paid for by the Gibraltar Government because the MOD's attitude is! Well, we will do our best to help you. We will move from one area to another but of course this is going to cost a lot of money in reprovisioning and you should pay it. In this instance the British Government are going to pay it. I do not know how that can be quantified in exact terms but I would say that is worth another £5m to £10m to us. This is one more gain that our negotiators have got for us. They have also offered a long piece of land from Engineer Battery, taking in the whole of Rosia Bay, right the way down to the Western side of the Nuffield pool as and when we have need for developing it. This, I think puts back into the hands of the people of Gibraltar a great majority of the seaboard littoral, something which is basically of vital import to Gibraltar if we are going to improve our tourist image. One of the most important things, I think, if you are going to attract tourists, is that you can offer them a sea frontage. This up to now has been something in which we have been sadly lacking but which in the future we should be able to improve upon very considerably. Of course we will have to look for developers but developers will come. We have already the companies that were considering development on the East Side. I am sure that now that the Queensway area will become available, they will look to that area also and we can have considerable hopes that something definite may come reasonably soon. In the meantime, my Department is looking at the areas concerned, are seeing what they can do to bring out possible schemes so that when developers come along some ideas of what Gibraltar would like to see can be put to them. Our future must hinge therefore on these two main features. An active Dockyard working commercially can, as I said before, be a viable solution. It may take

a little longer than perhaps one would like but there is the opinion in some quarters that it is often better to start a business at the bottom of a recession because then the only way you can go is up. If you start at the top of a boom, you may in the first year do very well and then suddenly find your business falling away. One of the things I would comment to, I think, the Hon Mr Isola or it might have been the Hon Major Peliza, I confuse the two sometimes they speak so much one cannot remember all of it, is on the question of Appledore. No, it was the Hon Major Peliza. Appledore are coming in as, basically, employees of the Gibraltar Government. They are going to be the managers of the Gibraltar Ship Repair Company which will be a Government owned entity. One does not normally expect the person you put in as a manager to put in equity although once the situation has got itself going then sometimes you do offer managers the opportunity to take equity. But it is no good coming out with the story that, having looked up the accounts of Appledore, they are just a shell company. They are naturally a shell company in some aspects because it is their job to employ the correct persons as and when they need them. They do not need to have a staff of 500 extra sitting doing nothing if there is no work for them. When their requirements are such that they have a job to manage somewhere then they will employ the people concerned. They have got considerable expertise in this field. They have been successful in other areas and I cannot see why they cannot be successful in Gibraltar, given the goodwill of the people and the workforce of Gibraltar to help them. Just to recap, what have we got? We have got the Dockyard area itself being handed over free of charge. That alone is really something. We have got £28m for refurbishing and for starting off the company operations for the first two years. We have got £14m of work promised on larger ships. We have got £½m to £1m of work promised on a continuing basis, even after the first three years, on smaller ships. We have got the move, at British Government expense, of their properties in the Queensway area to some other area, something which will cost at least £5m and which will give a fillip to the building industry. All in all, I think that this is not a bad deal. I think that we owe a considerable amount to our negotiators, especially Sir Joshua and Mr Canepa, the Minister for Economic Development, who have been at the forefront together with their officials. I think we can say that we have had a successful outcome after many weeks, even months, of hard and nerve-racking negotiations. It has not been easy but we have won through. I would support the motion wholeheartedly.

HON A T LODDO:

Mr Speaker, I am neither an economist nor a lawyer so perhaps you will forgive me if my analysis tends to be over-simplistic. I will start with the package. If you take away all the padding, the question I ask myself is what have we got today that we did not have two years ago? What we have today is one year's extension, I would prefer to call it stay of execution; £3m extra of naval work and the release of certain MOD lands. That is what I believe we have today that we did not have two years ago. The £28m and all the rest, we had. I will deal with the year's stay of execution a little later. As to the £3m, in these days of

economies I do not wish to sound ungrateful, but those £3m will go over three years. I am worried about after the three years, not just the three years. I will not be blinded by the three years. It is very good to start a business with 50% orders but when you expect that business to be the mainstay of your economy for evermore or for the foreseeable future then I think £3m becomes a mere drop in the ocean. As to MOD land, Mr Speaker, it strikes me that the British Government must have been really concerned to get the Dockyard off its hands because this is the first time that I can ever remember the British Government releasing land and buildings free and being prepared to move somewhere else at their own expense. Mr Speaker, today in this House I feel genuinely cheated. For two years we have been tending a sick patient and his condition was so serious that in February of this year the Government promised us consultation. We would consult on the state of the patient and how we would go about trying to get him better. Well, for me, Mr Speaker, consultation is very much the same as the interpretation put on by Lord Bishopston. Yesterday in the House of Lords he said: "Consultation is telling the people what you have in mind, asking their views and being prepared to modify your plan". Mr Speaker, I do not believe we have had consultation over our patient. What we have here today is a post mortem. Our patient, Mr Speaker, is dead and the purpose of this debate, the way I see it, is to get him buried with as little ceremony as possible and as quickly as possible. Mr Speaker, for me this debate is a very good exercise in parliamentary procedure but no more. This debate presents me with a fait accompli. However, I am not prepared to put a rubber stamp on it. Mr Speaker, if I feel cheated I think the people of Gibraltar today feel defrauded. This issue of the Dockyard has been so big that it has gone beyond party loyalty and certainly beyond any one personal politician's scope. I believe that the people of Gibraltar would have preferred to have seen a united front on this issue as we have been advocating from the very beginning. I also believe, Mr Speaker, that we are not doing Gibraltar any good by squabbling here today and I do not think we, as leaders of Gibraltar, are doing ourselves any good. However, let there be no mistake about it, the responsibility for this state of affairs is not for lack of trying on this side of the House. Mr Speaker, I know I am not allowed to quote from any of the reports I have read. I read one the day before yesterday which was also very confidential. When I read it I had the similar impression that my Hon Friend Mr Bossano got. I did not find anything so confidential and I, in fact, asked the person who gave me the report to read, why all the fuss when we were going to discuss it openly here a day or so later? However, Mr Speaker, in none of the reports I have seen have I been given proof that a commercial repair yard is viable. We see the state of ship repair yards in the Mediterranean and in the Dutch and Belgian yards and it is not an encouraging scenario. Mr Speaker, in its commitment to the people of Gibraltar to sustain and support, the British Government pledged itself to provide us with a viable economic alternative once the Dockyard closed. Mr Speaker, I do not believe we have a viable economic alternative in a ship repair yard. Ship repair yards are in the doldrums everywhere. A lot of emphasis has been put on the cooperation of the labour force and I think everybody will agree that it is essential but it is not the be all and the end all. With all the

good will in the world and with all the cooperation in the world, if there is no work or if our efforts are frustrated by our friends across the way, then what, Mr Speaker? What is at the end of five years? It is not commercially viable and Appledore says: "Well, enough is enough. This is a business after all, I am sorry, there is no more I can do. I have done my best for you and I am away". Mr Speaker, Spain has not been able to bring us to our knees because we have had a Naval Dockyard. Our economy has been stable and they could not interfere with it but they will. The last thing Spain wants to do is see us economically viable and Spain can wait, Mr Speaker. She has been waiting for 279 years. She can wait another five. She is very good at waiting. They do not call her the 'land of mañana' for nothing. Mr Speaker, today it seems to me, and in fact I think it has been confirmed, that the British Government has, like the Godfather, made us an offer we cannot refuse. We have been given a choice, Hobson's choice, and one of the things that worry me, and there are many things that worry me although I know it does not seem to worry the Hon Mr Featherstone, is that Appledore is not prepared to put a penny into the venture. If their prognostications are so good and if they are so convinced that this thing is going to work, if I were them I would be dying to put £1m in. However, Mr Speaker, although I am not happy at all about the commercial ship repair yard I am equally not inclined to go along with a death or glory charge. That was alright for Balaclava and Lord Tennyson, it makes very pleasant reading, but I do not think it is for us. The only bright spot in all this, Mr Speaker, for me is that we have one year in which, Mr Speaker, we should still try to get a commitment from the British Government that if at the end of the day the commercial yard needs to be propped up, not because of lack of cooperation from the workforce but because the work is not there, the British Government will honour its pledge to maintain, sustain and support Gibraltar by sending work our way. I believe that the workers of Gibraltar, the skilled workers of Gibraltar are equal to any worker anywhere in the world and I do not believe that the worker in Gibraltar is afraid of work. The proof of it is that when workers leave Gibraltar and go overseas they always do very well and they are always very highly regarded. Gibraltarian craftsmen are very highly regarded everywhere. The workers of Gibraltar are not afraid of work. I believe the workers of Gibraltar are afraid of not having any work. Mr Speaker, I believe that we have, that one last chance. We will not reverse the closure, I believed this for a long time and I said it here, that the closure of the Dockyard was coming. I said it in the last debate in the House. I believe that this year that we have got should be made full use of to try and get a commitment from the British Government that if a commercial yard cannot continue through no fault of our own we will be underscriven. Thank you, Mr Speaker.

HON A J CANEPA:

Mr Speaker, before I get myself involved in the more controversial aspects of this debate, I want to say that for well over 2 months now, Ministers and Officials of the Government have been engaged in a very careful, detailed and exhaustive study of the proposals for commercialisation of the Dockyard. Many

and very lengthy documents and reports have had to be analysed in great depth and many long hours of discussions spent in meetings over a number of weeks, particularly in the days leading up to the formulation of the view, of a Government view, of the issues raised. The Officials, in particular the Financial and Development Secretary, the Administrative Secretary, and the Economic Adviser, have also spent many more months of hard work involving a lot of trouble and travel to the UK as part of the Project Study Team. I want to take the opportunity to publicly thank them for all their selfless dedication to what has been a very hard task indeed. Since this will be his last meeting of the House before he retires, I want to single out Reg Wallace - about his retirement, no doubt the Chief Minister and other members will speak in due course - and to say how grateful we all of us are to the great wisdom that has characterised his advice to Ministers and for the extent to which he has identified himself with the cause of Gibraltar at all times. That he was able to keep going at all in spite of personal tragedy, speaks for itself. Now Sir, I am going to dedicate the first part of my intervention to dealing with some of the matters that have been raised in the debate, before I go on to deal with the wider economic aspects of the deal which we have agreed to with the British Government. Let me say that, beginning with the Honourable Mr Bossano, who spoke yesterday evening, I consider that his reaction was entirely predictable and, indeed, I can say that I share his sentiments. How could his reaction have been otherwise, having regard to the stand which he has taken on the matter, having regard to the basis of his own political standing and support within Gibraltar. We must not forget either, those who would bring him down if only they could. The reaction from the official Opposition has also been totally predictable. Of course, the point has been made at length that the package is not enough, that it is not good enough. This is the kind of thing that we have been hearing from the Opposition for some time. It is a consistent attitude on their part and that is the privilege of an Opposition. Long may they continue to enjoy that privilege. What they haven't said, of course, is what is the alternative. We must find an alternative but what is that alternative. Of course, they are not able to say. The point has been made that we would have been better served by going it together, by conducting the kind of public relations exercise which was so successful on the question of Nationality. In the first place, I honestly believe that the Leader of the Opposition forfeited his right to consultation when he unilaterally decided, in order to seek political glory perhaps, to try to steal the thunder from the Chief Minister, when he decided and wrote his 650 letters to the Members of Parliament. So much for going it together. Now, would we have got, in fact, a better package if we had gone in it together? Having seen at close hand how matters have developed, I have no doubt that the answer is no. The impression that I got last month in London, when we also had the opportunity to speak to many Members of Parliament, was that already many Members of Parliament were regarding the offer of Her Majesty's Government, as it was emerging then, as generous. Certainly as compared to Chatham, for instance. Of course, there has been now, particularly yesterday, much more clear evidence of the concern, on the part of Members of Parliament, that work which was wanted at home was coming to Gibraltar. The whole

question of constituency interests has been very much to the fore. I recall that, even before then, Mr Neville Trotter, who over the years has been a very good friend of Gibraltar, nevertheless of course had to put his own political future and the interests of his constituents first. Well before any statements were made in Parliament, he was complaining about the fact that work was going to be provided for a commercial yard in Gibraltar which was badly needed in Tynemouth, which he represents, where there is great unemployment. Yesterday in the House of Commons, a number of members of Parliament posed a series of supplementary questions to Mr Ian Stewart and I think that some of them are worth quoting. For instance, Mr Duffy asked the Minister: "Will the £14m worth of royal fleet auxiliary orders be sent to Gibraltar at the expense of British yards, notably Tyneside?" again, notice. The Minister replied, he said, "£14m worth of royal fleet auxiliary work over three years will be undertaken in Gibraltar, at the expense of British dockyards or British shipyards". Mr Gordon Brown also expressed concern on this matter and again I think it is worth quoting, Mr Speaker: "Will the Minister guarantee that no jobs will be lost at Rosyth Dockyard in the refitting of royal fleet auxiliary or other vessels? Is he aware that Rosyth is in a constituency, parts of which have some of the worst unemployment rates in Europe?" The Honourable Leader of the Opposition, I think, made reference to Mr Tom Dalyell, apparently well known socialist and hardly a friend of Gibraltar, one would imagine. Mr Dalyell said: "Am I not justified in thinking that this package is extremely generous to the Gibraltarians?" and so on Mr Speaker. I think it is important to say this because it builds up a picture where I think that the kind of public relations exercise that was so successful on the question of British nationality just isn't feasible. It just simply isn't on. The background, the sympathy just isn't there because we are taking away something from them whereas in the case of British nationality that was not the case. We were not taking anything away from the British people. They were just giving us something which they could well afford to give and which they wanted to give. Something, in any case, which we had prior to the amendments to the Nationality Act. I think, having regard to the big majority which the Government has in the House of Commons, that any prospect of a revolt along the lines of what happened two years ago almost to the day, simply is not on. We have seen the reaction of the Chairman of the British Gibraltar Group, broadly welcoming the proposals. There is one other thing that I should mention as well. What about public opinion outside Parliament? Would that be well disposed towards Gibraltar getting an even better deal? What about the attitude of the Trade Unions in the United Kingdom? I think there has been a lack of real support on their part. There has been no action taken by the Trade Unions in the UK, in spite of the fact that many of the Trade Unions in Gibraltar are affiliated to them and are branches of those Unions. Plenty of words but no real action, no real support. Why, because they have not really been prepared to take action on behalf of their own members in the United Kingdom. Nothing has happened to stop the closure at Chatham. Nothing has happened to try and ameliorate the run down in Portsmouth. That has been the background, therefore, which we must never lose sight of in considering what we have obtained. The other reason why I think we would not have got a better deal is that

it has become abundantly clear that there was a need for one Government to negotiate and bargain with another Government. It was hardly a matter for Members opposite who, not having the burden of responsibility and having no constitutional authority as we in the Government do, would not have been able to react with the necessary decisiveness. I feel the negotiations would have been bogged down because there would have been a need for the Leader of the Opposition to be constantly working ad referendum to his other colleagues because the extent of their involvement would never have been as great as in the case of Ministers, who have been fully involved. He would have had to satisfy the Honourable Major Peliza who doesn't even believe that the closure of the Dockyard is a foregone conclusion. He would have had to satisfy Mr Restano and, increasingly of late, Mr Haynes as well. What about the need of confidentiality in all these negotiations? Would the Opposition, who are not bound by any constitutional obligation, have abided by this requirement of confidentiality or would everything have been conducted under an impossible public glare? I am sure Her Majesty's Government could not have brooked this for one moment, having regard more so to the subsequent reaction that there has been from some Members of Parliament. At the end of it all, I think, less would have been achieved but then, of course, they could have claimed the credit for it as they did with the nationality success. Ultimately, Mr Speaker, it boils down to this. Whether the Opposition like it or not - and they clearly don't, particularly the Honourable Mr Isola - the fact of the matter is that it has been the team-work, the know how, the tenacity of Ministers and Officials together with the prestige and understanding which Sir Joshua clearly enjoys in London - and I have been a witness to that - which has made it possible to achieve what has been achieved. Mr Isola this afternoon asked, because the Chief Minister has not included a very crucial paragraph about continuing support for our economy, how had the statement been put together. Well I can tell him? Half of it was put together as a result of very long telephone calls from London to a typist in Secretariat who was typing it here whilst we were in the UK. The rest of it was being drafted on the plane on the way back yesterday morning and had to be put together in great haste in the afternoon. In the light of that, I think, that a paragraph should have escaped our attention when we never had an opportunity to study the 27 or 28 pages in detail, is not unexpected. Mr Isola cast out about the prospects for development of the sites that we have obtained. He likened them to what has happened to the Command Education Centre. Well, there isn't a parallel. The Command Education Centre is a rather difficult site in the centre of town on which we have put very serious planning constraints on purpose because the project has a conservation character.

Naturally, in the present circumstances, that has not encouraged developers. It is, I would agree, the kind of project which was the subject of the public participation exercise last year. It was very much with an eye to an open frontier. We have put serious planning constraints. If we had allowed a developer to demolish that and make proposals for office accommodation, for instance, another Gibraltar Heights, I am sure that there would have been plenty of developers, even under the present circumstances, interested. More so with the expansion of Gibraltar as a Finance Centre and the birth of office

accommodation that there is, as we have seen in the Development and Planning Commission where we are getting constantly applications for change of use from residential to office accommodation. He mentioned the Diversification Study. I honestly do not know whether Mr Isola does not have a good memory or whether accuracy is not one of his attributes. I honestly think that he should read the report of the Diversification Study again because this Report did not examine development opportunities in the context of the release of prime sites held by the MOD. That just didn't come into their terms of reference at all. Let me inform the Honourable Member that funds are being made available for the multi-storey car-park project at Casemates. I have, only this morning, had the opportunity to see a letter from the prospective developers to the Land Board answering a number of questions that we have put to them. This is one of the matters on which assurances are being given. One of the major constraints with Casemates and with Engineer Battery has been the MOD and the lack of flexibility which we have had all along: the requirement to reprovide seven Married Quarters, then down to five according to certain standards. That has not been easy. It is a wonder that we have the interest, in the first place, that we did when the cost of reprovioning was estimated at something over a quarter million pounds which, in a project of four or five million could seriously put into jeopardy the viability of such a project. We are having problems of the Viaduct Causeway where the MOD are being difficult. This has been a constantly recurring theme, usually over trivialities but the sum total of it all has been protracted delays. Officials are moving now because the orders have come from No. 10 and when that Lady gives an instruction the Civil Servants jump to it. The sites that we are getting are better. They don't have the same constraints of others. They are bigger and they are better situated. Doubts have naturally been cast about Appledore. I think that the Honourable Leader of the Opposition asked, or was it Major Peliza, how we could stick closely to them, in spite of the doubts cast by the Consultants, and not look at the other proposals for the use of the Dockyard. Why has not the Leader of the Opposition or the Honourable Major Peliza said what the Consultants told the Opposition about those other proposals. I leave it up to any of the other Honourable Members of the Opposition who were present at the Presentation to tell this House what was said by Coopers and Lybrand, Ross Belch and Associates about the other proposals for use of the Dockyard facilities. Sir, the deferment of closure for one year effectively means that we now have 17 months to plan, to begin to adjust and maintain the closest contact with the MOD on the land issue in our mutual interests. Deferment will avoid the suddenness of the unemployment impact which would have had a much more damaging effect, especially since the revenue effects are automatic. For instance, with the collection or the non-collection of PAYE, the loss of revenue would have had an immediate effect on the Government's income. Hopefully now, moreso if there are some voluntary redundancies once the state of redundancy has been declared, deferment could reduce the structural unemployment effect. In this respect, we will also have more time to agree with the Unions on employment strategy in Government Departments in order to create some job opportunities, as the Chief Minister mentioned in his statement. Naturally, we would have preferred more time, but not as a blind demand expecting a continuation of

the Naval Dockyard for ever. Sooner or later, whether for defence review, economy or technological reasons, it would close. Invariably, and worse still, the Dockyard would have been run down further in terms of labour and assets, as has in fact happened over the last decade. It is difficult to say when the timing of the closure is right. The key probably lies in providing Gibraltar with the necessary opportunities to develop a real economy. The one year deferment will not do this but it will mark a beginning, a new emphasis on our policy for economic development which requires that priority needs should move away from the concept of the 'Defence' economy towards a real and more permanent economy. In other words, the Gibraltar economy will no longer be entirely subservient to Defence considerations, as has been the case in the past. For the first time in our history, I think that the transition will begin from an artificial economy to a more natural economy. Commercialisation is going to change the structure of the economy. At present about $\frac{2}{3}$ of our national income is derived from fixed export earnings, mainly Defence expenditure. With the closure of the Dockyard this will be reversed and approximately $\frac{2}{3}$ of our national income will be dependent on the variable export earnings from tourism, commercial ship repair, the port, and finance centre activities. In other words, as the Public Sector diminishes and dies so the Private Sector will grow. This has to be secured and it has to be developed, in other words, we have to diversify. We can only do this with the release of MOD lands. You may well ask: "Why hasn't it been done before?" This has been mainly because the Defence economy has retained a stranglehold on land, particularly on Gibraltar's prime development sites. Mr Speaker, during the course of my contribution to the debate held last February about the need to reconcile the needs of the Naval Base with those of the economy, I have this to say, I quote from page 84 of Hansard: "What we cannot allow, Mr Speaker, indefinitely, is the continuation of the state of affairs, that anyone will witness if he looks down, for instance, from Bleak House on the Nuffield Pool, on the vast area that there is between the Nuffield Pool and the Western Seafront. A huge area for a select few. That cannot be allowed to continue. Neither can we have a few select expatriate families at the Rosia Swimming Club with a few local civil service families who have also been able to become members enjoying that Bay, Rosia Bay, which has got great touristic and economic potential. This is something which we are going to have to very seriously look at". I also said: "Once this small matter of the transfer of dockyard assets has been sorted out, I have no doubt that we shall have to look very carefully at, and step up our demands for, the transfer of MOD land. What I said then, Mr Speaker, and what has happened since has clearly underlined the remarkable consistency of approach and outlook on the part of the Gibraltar Government towards this crucial issue. Now the situation will start to change. We have two prime sites on offer, Rosia and Queensway. Perhaps where I made a mistake then was that, in fact, the whole process has been accelerated. Perhaps in February I did not think that we would have stepped up our demands by July of this year, thinking that we would do so later in the Autumn. We have broken the ice. It is, in my view, perhaps only the beginning but a very significant advance and we must now really spare no efforts to attract the right

developers for the right development. We already have sketch plans ready. We know of interested parties and we shall push for early release. A word of warning, Mr Speaker. In the release of these sites there is no quid pro quo. This is not a question of a small sacrifice to sell us the commercialisation project. Again, what I have first said about my thinking that perhaps the whole issue would come later and that there was no simultaneous linkage of the Dockyard and the release of these sites, I think applies as well. I think the time came last month, Mr Speaker, for us to press for all the land that we needed. This must be the continuing policy for the future except where it can be shown that it is not possible, on essential - and I underline the word essential - Defence grounds. Back in 1970, if I may reminisce for a moment, our Party initiated a concept: the philosophy of the right to our land. I was myself deeply involved in that thinking with Aurelio Montegriffo and with the then Young AACR. It was, perhaps, initially a response against Spain. A response to tell all, including Britain perhaps, that the most important element in the dispute over Gibraltar was the oneness of the people and the territory of Gibraltar. If not de jure then certainly de facto, Gibraltar and its territory belongs to the people of Gibraltar. Today, I think that this concept takes on a new and a more practical added dimension. It has been manifestly accepted in London that land can no longer be held for the privileged purposes of a few when in reality it is needed to keep Gibraltar going, to keep the Gibraltarians here, housed here, working here, fed here and ready to keep Spain out. We have reached a cross-roads, a point where it has been recognised that the MOD cannot both close the Dockyard and continue to have a social club on a prime site on the Western Seafront when Gibraltar requires some form of economic activity there. Mr Speaker, turning now to the commercialisation project itself, it has to be said that it does not seem to offer real prospects of viability in the short term. It will not fill the gap in the economy created by the closure of the Naval Dockyard and in fact we move towards commercialisation knowing this and accepting it. You are not pulling the wool over anybody's eyes. All the more reason why we have to establish the conditions for the economy as a whole to diversify and to be in a strong enough position to counter the inevitable cyclical fortunes to which it will be increasingly exposed. This is what requires unity of purpose in the future. Just as we are fighting and succeeding in obtaining as much land as we need, so shall we also insist on obtaining the conditions and the safeguards which we need to allow the economy the flexibility it requires. Firstly, one area where we need to move quickly is to demand a faster reappraisal of the EEC problem. The problem that will be posed on Spanish accession. Our case for a special status is overwhelming and it will have to be won. As Honourable Members know this matter is currently being very actively re-activated with a visit of a number of F.C.O. Officials who are well versed on the EEC and who have held a number of meetings with political parties and other institutions over the last few days. Secondly, Mr Speaker, the onus is on Her Majesty's Government to continue standing firm against Spain and bring about a lifting of all restrictions. That onus now becomes greater. Thirdly, as I have said before, the MOD cannot continue stifling our prospects for diversification. Not just the Lands question but also these other tiresome constraints on development

projects that I have spoken about. Mr Speaker, let me stress that the Consultants recommendation that we accept commercialisation has been looked at very critically. Essentially commercialisation arises, not as an alternative amongst others, but as the only alternative, since something is surely better than nothing at all. For this reason, the cost benefit analysis of the consultants has to be seen as a qualified assessment. They conclude in this cost benefit analysis, that it shows that commercialisation is desirable. However, this is only because there are no other alternatives. The support which has been offered by Her Majesty's Government on capital investment etc, on naval work, and on future economic assistance does however provide a major input towards viability and repairing the new yards to meet competitive pressures in the future. Because of this, we must try and make a success of the project. The risks and the difficulties are there. They are not to be minimised. Major changes in management and working practices are required but there are also opportunities. There are opportunities for Gibraltarians to prove their worth, to break the MOD barriers to promotion and career advancement and the chance, however difficult, to try and make the yard profitable. It is a tall order, yes, but let us not be ashamed of working for our future. A future over which we will now exercise more control despite the increased exposure to international market forces to which we shall be subject. We are also conscious of the role which Appledore will have to perform. They were clearly the best choice but let them not think that they can move in comfortably or complacently. Let them not think that they are going to emulate the MOD in a new modern style. They will be managers of the yard. They will have to deliver, as will undoubtedly those working there, but they have no claim to anything else but earning their due. Now if we do our best and, through no fault of ours, as the Honourable Mr Tony Loddo was saying, the Government, Appledore, the workforce or the yard, in spite of all those efforts, does not break through into viability, I think we shall have just cause. I believe there is already recognition by Her Majesty's Government, as is clear from Mr Stewart's statement in the House of Commons yesterday, for further support. I think, Mr Speaker, that it is a statement worth quoting again in the context of what I am saying because this is a very significant statement. I think that it is as significant as the emergence of the policy of sustain and support when the border closed in 1969. The statement which Mr Stewart made yesterday, seen against the background of the inevitable closure of the Dockyard at the end of 1984, I think is as significant and offers the kind of prospects for hope for the future of Gibraltar that support and sustain has done in the last 15 years. Mr Stewart said: 'if there are any further difficulties for the Gibraltar economy, Her Majesty's Government would be prepared, in line with the policy of supporting Gibraltar during the present border restrictions, to look at the whole economic and budgetary situation with a view to considering whether, and if so what, further measures of support might be necessary or justifiable in the circumstances of the time. This is the kind of thing that we have been fighting for for the last two years when the Overseas Development Administration have been hinting that, because the Lisbon Agreement was going to be implemented, and because we had a very high standard of living, Gibraltar had no

further requirement for development aid. These are the sort of assurances which I think should once and for all, if there is still any doubt, quell any suggestions that there is a plot on the part of the British Government to sell Gibraltar down the river. I think, Mr Speaker, that the possibility, therefore, of either more naval work or increased funding after the third year is something which that statement gives us great hopes of fighting for. I think the sum total of it all is that it is clear that we are not being ditched by the British Government and we are grateful for that. Let me warn in advance that, even with the best efforts to smooth the conversion of the Dockyard into commercial work, it is likely that the Government of Gibraltar will have to face budgetary constraints. We will have to look critically at areas of Government spending where financial resources are more desirable, I would say, than essential. I say this now because I do not wish to be accused later that we moved on a particular course without realising the full consequences. There are areas where savings will have to be made without further endangering employment levels. Mr Speaker, when we met the Foreign Secretary on the 29 June I tried to impress upon him that for commercialisation to be at all acceptable it would have to form part of a package of measures which would enable Gibraltar to move away from an artificial economy to a more natural one. It had to be a package that would include the release of land held by the MOD as well as assistance towards the diversification of the economy. I think again that that statement of Mr Stewart fits in very well with that. A reasonable period of time was required and the Gibraltar Government wanted to achieve a dignified posture and had no wish to perpetuate the need for British Government assistance. Mr Speaker, I firmly believe that what we have obtained goes a very long way towards what I was asking for. My comfort in that lies not just in the whole of the deal but, in particular, in Mr Stewart's statement at the end of his main statement. Sir, I believe that the package of measures which were spelt out in detail by the Chief Minister yesterday, given closure of the Naval Dockyard, constitute a very significant contribution on the part of Her Majesty's Government towards meeting the objectives of the Gibraltar Government and to a very considerable extent, I would say too, the aspirations of the people of Gibraltar. These commitments enabled me, without hesitation, to support the motion. I very much hope that we shall all in Gibraltar, when the sands have rested on this debate as they will, manage to move and work together to make a success of the enterprise so that future generations will be able to look back and affirm that when we were weighed in the balance we were not found wanting. Thank you Mr Speaker.

HON G T RESTANO:

Mr Speaker, one of the most serious accusations that I have levelled at the Government is that they have not done enough to try and get the British Government to reverse the decision to close the Dockyard. As I see it, there have only been two occasions that I know of. One was through the memorandum that was sent to the British Government and the other was the Chief Ministers first visit to the Prime Minister. However there was an approach that could have been taken a long time ago and that

approach was the same approach that was taken for the Nationality Act. That was a joint approach from Gibraltar, a united approach by all political parties going to Members of Parliament. It has been said this afternoon that this was simply not on. Well, I disagree with that and I will give my reasons, which I don't think have really been given by Mr Canepa. On the 10 March my friend, the Honourable and Learned Leader of the Opposition, and I held a meeting with the Chief Minister and his Deputy and proposed to them that we should do precisely this. That is that we should have a joint approach, write letters to MP's and to the Prime Minister as well. This was turned down. This was turned down by the Chief Minister. Only a few weeks ago my friend again wrote to him and urged him to have an appeal to Parliament in order to reverse that decision. Again no response. I do not say that that sort of strategy would necessarily have been successful but it might have been successful in the same way as the Nationality Act strategy was successful, where we sent memoranda after memoranda to the British Government to try and get them to give us British nationality. They said no repeatedly and it was only when we had a joint approach that we finally succeeded. Perhaps, by not having given the support to this joint venture, the Chief Minister has done a great disservice to Gibraltar. I think it is a very grave error of judgement on his part, in the same way as he committed a grave error of judgement on the 24 hour opening of the frontier and in the same way as he committed a great error of judgement on Gonzalez's intentions when he thought that he was such a good chap to open the frontier in the way that he was doing it. This error of judgment is much more serious because this error of judgement is in the area where Gibraltar's future is very much at stake. Therefore, you see, when he says in his statement on page 2, paragraph 6: 'I hope that the House will also accept that everything possible has been done by the Gibraltar Government to argue against closure', I do not accept that, most certainly not. I would like to hear from the Chief Minister why he refused to have an approach to Members of Parliament. I have not yet heard from him any explanation as to why he was unwilling to have this approach. Then, of course, Mr Speaker, there is the question of the lack of consultation with the Opposition. Mr Canepa was saying in his intervention that there would have been delays if the Leader of the Opposition had been consulted. Why then did he agree? Why did the Government agree in February to a motion of the Chief Minister's which said: 'This House considers that full consultation would take place between all the political parties represented in the House of Assembly before a final decision is made on the commercialisation of the Dockyard'? Has he consulted? No. He has ratted on the pledge that he gave this House. Mr Speaker, on the question of the viability of a commercial yard; there is, I think, no-one in this House who is qualified to express the opinion whether the commercial yard is viable or is not a viable proposition. Therefore one has to call in consultants and obtain assessments from experts in order to be able to reach a conclusion. Now those consultants, those reports, have been forthcoming. We have had some which were perhaps not very optimistic about the viability of a commercial yard. We had the presentation of the preferred operators, Messrs A & P Appledore and theirs, of course, was a rosy picture, but then one would expect that because they want to operate the yard: But of course, as has been mentioned before in this debate, they are

committing no finance to the yard. The Gibraltar Government Consultant, of course, was cautious but certainly one of those Members said, not once but twice, that he would not put his money into such a commercial yard. That is not very optimistic. Now the last report, the latest report that we have had, that is downright pessimistic. It means that for many, many years it is expected that that yard will not be viable. Whether one can honestly predict how well trends are going to turn in seven or eight years time, I think, is very difficult and hardly a position from where to make a judgement that in 7, 8 or 9 years time there would be viability. All these reports, Mr Speaker, have been a closely guarded secret. At the end of this debate, by Government majority of one, this motion will be passed. I would like to say at this point that there is the official Opposition and the Opposition of the Honourable Mr Bossano, the GSLP and that both the DPBG and the GSLP are voting against this motion. Between them they represent 54% of the electorate. The Government represents 38.6% as at the last election. Really, we are having a minority representation taking this great decision when the majority are against. Is the commercial plan really viable? We are told, and we have been told over and over again, that the ship repair market is in a very depressed condition. There is over-capacity and that over-capacity is very considerable. Therefore the competition is very aggressive because there are a lot of yards and there are not so many ships to be repaired. Moreover, most ship repair yards are being subsidised by Governments and one has to ask whether it is really a viable proposition. Mr Canepa was quoting earlier from the debate we had in February and he did, I must say, show, and has shown today, quite a different approach. He spoke then of the potential there is in the closure of the Dockyard for a catastrophe, not just an economic catastrophe but a constitutional and a political catastrophe for Gibraltar. I think that if that is the way ahead we are heading for chaos and out of that chaos, I do not know what is going to come. He seems to have changed quite considerably today

HON A J CANEPA:

I know I was not interrupted for which I am grateful but I would be grateful if he were to give way. I think the debate has to be seen in that context as a whole. We must not lose sight of what the Honourable Mr Bossano was saying then, when he was giving indications of Gibraltar being led down a road that the majority of us did not want to follow. That is why I was saying that I agree that closure of the Dockyard on its own without commercialisation, without a package on land and on other aid would lead to chaos. If we had not got the right firm I think we would have had a constitutional crisis. That was one of the points that we were able to make. Talk about holding pistols at people's heads; that is one of the points that we were able to make to the British Government and I did not think that they themselves wanted to go down that particular road either. I am grateful to the Honourable Member.

HON G T RESTANO:

Mr Speaker, in that debate we were talking very much about commercialisation. It was very much on the cards. It wasn't just that it would have been chaos. The Minister wasn't saying that it would have been chaos for the closure of the Dockyard without a commercialisation programme, that was already included. I can see that everybody on the Government side seems to be very happy with the deal and even, for example, the British Government thinks that the Chief Minister is very happy. Yesterday in the House of Lords, Lord Trevarne said: "As I have stated, Sir Joshua is entirely happy apparently with the arrangements". So, the Government seems to be very happy and Sir Joshua apparently is very happy with this kind of operation which is very questionably viable. The problem, of course, is aggravated, not only by the difficulties in world wide over-capacity and so on, but by the additional problem of what was printed in the Daily Telegraph on Monday, which was headed: "Threat to Scheme for Gibraltar Ship-repair Yard". It said 'A serious threat to the Government's plan to begin converting the Naval Dockyard at Gibraltar this year into a commercial ship-repair yard is arising a few miles away at Algeciras within sight of the Rock. Some years ago, the Spanish Government began building a ship-repair yard there. Work was halted for lack of money but has now re-started with the backing of a Portuguese consortium'. That is going to be very difficult competition, Mr Speaker, because if the Spaniards want, as they always have done, to ruin as economically they can subsidise that yard to such an extent that it would make our own Dockyard very difficult to run. I must say that if it is not viable, it is not because of the workforce. The workforce, I think are splendid in the Dockyard and I think that the work that they did during the battle for the Falklands highlighted how well they can work and how well they normally do work. Mr Speaker, I must agree with the Honourable Mr Canepa in his comments about a statement made by Mr Stewart. I think it is almost as important as the support and sustain statement when it was made in its proper vein. And that is why I cannot understand, it is not conceivable to me, how such an important statement could be made and yet the Chief Minister forget to mention it in his own statement, a statement having 27 pages. One of the most important statements to be made in Parliament about Gibraltar, and I agree with Mr Canepa that it is, and the Chief Minister goes and forgets it, incredible. Now on the question of land, obviously one welcomes the additional land that is going to be handed over. At page 15, paragraph 40 of the statement, the Chief Minister said: 'Land in Gibraltar is not only a very scarce economic commodity, it is, apart from our entrepreneurial skills and our wits, the only economic commodity we have. It follows that we must make the best possible use of every inch of land in Gibraltar'. To judge from Engineer House, Government's track record is dismal. Here it is, on the one hand, saying that every inch of land in Gibraltar has to be used in the best possible manner and there we have a huge plot of land, which has been in Government's hands for many years and is still there undeveloped.

HON A J CANEPA:

We haven't had it for many years. The Honourable Major Peliza is aware of the fact because he pursued the matter in the House very vigourously when we had to purchase it for £84,000 a couple of years ago. We didn't have it. It was sold by the MOD on a freehold basis to Dayfenn Ltd and the Surveyor and Planning Secretary wrote a letter about that in the Chronicle two or three weeks ago, explaining what had happened.

HON G T RESTANO:

But the Gibraltar Government allowed that land to remain undeveloped for 20 years.

MR SPEAKER:

I will not allow you to digress.

HON G T RESTANO:

Well it is in the context of the land which is being handed to Government, Mr Speaker. May I just say that I hope that the track record of the Government is not continued in the same way that it has been. So one would want to know what is going to be developed on those sites and when. Both are just as important, what and when. When Government starts developing some programme, it normally takes an awfully long time, like the Varyl Begg roofs and the Generating Station. I heard that there was going to be an emphasis on tourism. I would like to know from where is the Government going to obtain the tourism and how it is going to obtain it; this tourism which is going to come and is going to take over part of the economy of Gibraltar, where? The Minister for Tourism has been going to the United Kingdom time and again and yet he does not seem to have had very successful trips. Most hotels in Gibraltar, at the moment, are going through perhaps the most depressed time that they have ever had to go through. Mr Speaker, to wind up then, I think that the Chief Minister has grossly mishandled the whole matter. There has been no consultation. There has been no approach to Parliament. There has been no united front. There has been no real fight to keep the Dockyard open. Over Gibraltar lies a big question mark over the viability of the Dockyard.

HON J B PEREZ:

Mr Speaker, one of the problems that one finds in speaking at this late stage in the debate is that, as far as the Government is concerned, the Ministers who have spoken in support, have spoken to such a large extent and have been so thorough, commencing from the statement made by the Chief Minister followed by my colleague Mr Featherstone and by Mr Canepa, that one finds oneself in the predicament that most of the points that one intended to make in support of the Government motion have already been made. I therefore beg your indulgence and the indulgence of

Members of the House if I tend to repeat some of the points which have already been made by my colleagues in this side of the House. I will like to commence my contribution, Mr Speaker, by making one or two general observations on the contributions which have been made by Members opposite and, in particular, the contribution made by Mr Isola and Mr Restano. I propose to deal with Mr Bossano at a later stage. Mr Restano and Mr Isola have said that if there had been further consultations between the Government and the Opposition, that is the DPBG, they are of the opinion that a unified approach might, and they both used the word 'might', have achieved something better for Gibraltar. But what I find absolutely incredible is that none of the speakers, none of the Members on the other side of the House have spelt out what they mean by something better. We have not had a word on that either from Mr Isola, either from Mr Peliza or from Mr Restano.

HON P J ISOLA:

I think I said in my opening, that is in one of the paragraphs that proposed one of my amendments, that the Commercial Dockyard, in the circumstances, was not a viable alternative to the closure and that therefore the closure should not take place until we were satisfied on the viability of the alternative. I congratulated the Government on getting a deferment of one year against what had been said all the time, that the 31st December was a definite closing date. If that date could be changed because of the arguments, then other dates could also have been changed.

HON J B PEREZ:

Yes, but be that as it may, that in fact corroborates what I have just been saying. We still haven't heard what their alternative is. Do we have a car factory there? Do we have a factory, building solar panels? Do we have a marble factory? What do we have? It is quite clear to me that none of the Members opposite have done their homework on this very important matter for Gibraltar. What is also very clear to me is that I can sense a feeling, a very strong feeling of frustration, from the Members opposite in this House because it is quite clear that, deep down, they all know that the package that the Government has obtained is a very good package, under the circumstances, for Gibraltar. This is where the frustration lies because I am sure that the Honourable Leader of the Opposition's ego would have been boosted if, after the Government had done all their homework, had done all the hard work with the Officials, when everything was ready, he had accompanied the Honourable and Learned Chief Minister to No. 10 Downing Street. He would come back and then he would have said to the electorate: "What a wonderful package we have achieved for Gibraltar". It is in fact, Mr Speaker, a great pity and, in fact, a sad day for Gibraltar. The Opposition, as far as the DPBG is concerned, is absolutely non-existent in this House of Assembly and in Gibraltar. The third point that I wish to make on the contribution made by Members opposite is that on many occasions Mr Isola, during debate has criticised the Government for not taking decisions. He has criticised the

Government for not showing leadership. Now the Government is showing leadership, the Government has taken a decision and the Government will stand or fall by that decision. Yet we are criticised for not consulting them. As regards what I have heard from Members Opposite, these are what I consider, Mr Speaker, the only three points on which some comment is merited. Mr Speaker the decision to close Her Majesty's Dockyard has been made solely by Her Majesty's Government. It is a decision which is not of our making, neither of our choosing. I do not think anybody can say that any Gibraltarian or Gibraltarians as a whole have contributed in any way to the closure of the Dockyard. These are two things which are absolutely clear to me, I think, to most people. The first one being that naval work just cannot continue and will not continue indefinitely. That is a fact of life. We may not like it but it is true. The other fact which I think is also absolutely clear is that Her Majesty's Government decision to close the Naval Dockyard is irreversible. It is irreversible irrespective of whatever action we in Gibraltar can take, even to the extent, as hinted by the Honourable Mr Bossano, of civil strife. I don't think that decision can be reversed in any way. I think really, Mr Speaker, that that is the crux of the matter. The starting point therefore is that the Dockyard is going to close and as a result of that closure there will be a direct loss of jobs and a clear lowering of the standard of living in Gibraltar. In effect, the closure will have a disastrous effect on the whole of our economy because, as Members know, the Dockyard is the largest export earning sector of our economy, generating some 20 to 25% of Gibraltar's export income and economic base employment. This would mean that all the efforts that have been made in the last decade to improve the standard of living in Gibraltar, to improve our way of life will be wasted in a very, very short period of time and Gibraltar will become bankrupt. That is the reality following the closure. On the other hand, Mr Speaker, Her Majesty's Government is constitutionally responsible for the financial and economic viability of Gibraltar as a dependent territory and it has committed itself to a policy of sustain and support following the closure of the frontier and the ensuing restrictions. Her Majesty's Government has made it clear that they are prepared to honour its commitments and its responsibilities to Gibraltar. It is not only just the Honourable and Learned Chief Minister telling the House. Members opposite have read the Hansards of the House of Commons, have heard the speeches which have been made and they have met Mr Stewart and other Members of Parliament that have come to Gibraltar. I think that there can be no doubt as to their honesty as far as abiding by their commitments and to their responsibilities. It is the British Government's view that the largest, and I stress, the largest single project which can help our economy following the closure is commercialisation. That is a view which we all share. Although as a separate and independent project, and that is totally divorced from the fact that the Dockyard is going to close, commercialisation is welcome because it would enable Gibraltar to move to a more natural economy and would help us to achieve our aims of restoring our economic self-sufficiency, nevertheless it does fall short, on its own, of filling up the vacuum and the gap which is left by the closure of the Dockyard in economic terms. I would say further that the principle of commercialisation as a project on its own is clearly not a viable alternative to Her Majesty's

Government. Commercialisation involves a change from a fixed to a variable export earning, that is, a move from an artificial to a natural economy. Therefore, as a direct result, Gibraltar will be obviously subject to world trends and international pressures. Ship-repairing industry is a cyclical one and, as we are all aware, there is at present a serious recession in this industry. Now, to this there are two schools of thought. The first one is that we are entering the industry at the worst possible time. Yet, on the other hand, one can say that it is better to enter now and await and be prepared for the inevitable upturn which must come. In any event, I would repeat that commercialisation as a project entirely on its own and as an alternative to Her Majesty's Dockyard is questionable due to the uncertainties that there are. What, Mr Speaker, is required, or what the Government has put forward to the British Government and has been accepted, are two things. Primarily we need help from Her Majesty's Government to ensure the success of commercialisation and we need financial help in its initial stages. I think, as far as that first point is concerned, that this has been achieved. Consider the package, Mr Speaker. We have the one year postponement. We have the availability of £14m of work for the first three years with the additional amount of $\frac{1}{2}$ to £1m as an on-going thing - and I would stress that the £14m is at today's prices - We will be able to tender for future work on the same terms as UK yards. The dockyard land and assets required for the commercial yard will be handed over free of charge - I know it is very nice and I agree with what Mr Bossano said that the land is ours but we must be realistic. We have achieved that. The land has been handed back to us. It is an achievement. We have Her Majesty's Government commitment to contribute a total of up to £28m to meet the initial costs of conversion and other ancillary costs. On the whole, I would say that, as far as the first priority was concerned, that has been achieved and the negotiations, as far as the Gibraltar Government is concerned, have been successful to that extent. But the Gibraltar Government felt that that in itself was still not sufficient and therefore what we feel is that we need something else which would help us, Mr Speaker, to diversify our economy. Let me say first of all that this business of diversification is not a very easy matter for Gibraltar due to its size and due to the fact that we possess no natural resources which we can exploit. We have I think, apart from Defence spending in Gibraltar, looked towards light industries and more important we must look to tourism. For all these things we need the land. As Mr Canepa has mentioned, and I agree entirely with him, in order to get the land we must stop the MOD's stranglehold on land which it has in Gibraltar. Again, as far as this side is concerned, what the Gibraltar Government was asking as regards the diversification of the economy, in a way, has also been met, Mr Speaker, by Her Majesty's Government. We have, again, the question of Rosia, in respect of which the land is free of charge and there are no provisioning costs and we have Queensway as well. Not only have we got this virtually straight away but we have several commitments. We have a new committee which is being set up in order to try and investigate and speed up the handing over of further lands which the MOD have surplus to their requirements, or non-essential, and which can be handed over to the Gibraltar Government in order to enable us to diversify further our economy, which is something that is absolutely essential if Gibraltar is to survive for many

years to come with a closed frontier. Having said that, Mr Speaker, I think that the package will go a long way to filling up this gap and it will go a long way to minimise the number of jobs that will be lost following the closure. It will also go a long way to try and maintain our present way of life and our standard of living. I honestly feel, Mr Speaker, that the package which we have been able to obtain is an excellent one, under the circumstances. If I had the choice, I would say that I would like the Dockyard to remain open for another fifty years. We know that that cannot be. Therefore, under those circumstances, I think the deal is a good one. However, Mr Speaker, for the deal to materialise as a good deal, we have all got to be prepared to work for it. It cannot be a half hearted effort, from any Member of the House, from any person or from any Gibraltarian. We have all to pool our resources together because, after all, nobody else is going to do it for us. I think, Mr Speaker, that Gibraltar can and Gibraltar will make it despite the closure of the Dockyard and despite the Spanish restrictions. I stated at the beginning of my contribution, Mr Speaker, that Gibraltarians have not contributed in any way to the closure. If commercialisation and the package is not accepted, let us all be quite clear of the consequences for Gibraltar. The Dockyard will close and we shall have nothing in its place. The number of jobs that will be lost will be tremendous and it will be a total disaster for all. I urge people not to contribute towards our downfall. I urge most sincerely the Honourable Mr Bossano, who unfortunately is not here in the House, to reconsider the position which he took yesterday because I noticed a slight change in his contribution today. I think he is embarking on a course which can only lead to absolute ruin for all of us here. He stated yesterday that it is unfair to hold a pistol to workers' heads. I refute that entirely Mr Speaker. That is not what the Government is doing in any manner or form. The Trade Unions are entitled to stick to their policy of ensuring that no jobs are lost. We all want this. We want something even better. We would like more job opportunities, more jobs to be available. We go along with that. However, Mr Speaker, this must be done with the full knowledge and acceptance that the Dockyard is going to close. I think it is a fundamental error of judgement not to cooperate thinking that, in doing so, in frustrating the project, in frustrating commercialisation, in not allowing commercialisation to start off, the Dockyard is going to remain open. That is a very serious error of judgement, Mr Speaker. Negotiations for working practices should commence with good faith of both sides, as the Honourable Mr Canepa has said, Appledore are in fact employed by the Gibraltar Government. They are answerable to us. They are Managers and they have a duty to discharge as well. It is therefore not a question of Appledore dictating one hundred per cent on working practices. This is why I say that we need good faith on both sides. If these negotiations are conducted in this line, I think commercialisation could and will work. Mr Speaker, I have absolutely no hesitation in supporting the motion.

HON A J HAYNES:

Mr Speaker, I will, if I may, remind the Members of the motion which we are debating. The question before us, really, is that this House resolves that the offer be accepted. It strikes me, Mr Speaker, that there are only a limited number of logical reasons why the questions should be posed and answered in the affirmative. Among those potential reasons for accepting the motion as drafted one would include that one must resolve to accept the offer because it is a viable proposition and it has been shown to be viable. That would be the first reason for accepting the motion. The second reason for accepting the motion would be that it is proper to accept the offer because this is a deal which was envisaged by all concerned and it represents the culmination of a Gibraltar view on which there was broad agreement. Finally, Mr Speaker, I can see that we would be required to accept the offer simply because it is the best deal that could be negotiated. Regrettably, Mr Speaker, these three reasons, and I can see no other reasons, for accepting the offer have not been impressed or outlined by the Government and we have not been given evidence to support a decision on the basis of any of these three propositions. May I, Sir, consider the one which reads: This particular one, Mr Speaker, which is the most technical, which is the one that has concerned our representatives for two years and which has been the subject of reports and little displays and shows and all the rest of it, regrettably is absent from the Chief Minister's Statement and regrettably, as has been said by my Learned colleague, must be absent from ours because we are sworn to secrecy. It is, on the evidence and the information included in the report which has been made available to all Members, on the information available in these reports that judges can evaluate the viability of a commercial venture. It is sad, therefore, that this information is not being publicly debated in this House, especially because logic demands that the offer be assessed as against its economic viability. For instance, one would have expected the Chief Minister to address himself on the question of the world shipping recession and on his views or the views of his experts on that particular subject. We are being asked to accept a venture which is going to repair ships, Mr Speaker, as Appledore do. They do nothing else, they repair ships. We are also told, Mr Speaker, that there is a world recession of considerable magnitude and that one of the severest industries in this recession is shipping generally. In that, obviously, must be included ship repair. Yet we have heard no statement from the Chief Minister which indicates a rise in the spiral of ship repair. We have no reference to reasoned arguments on the subject. Nevertheless common sense, I think, entitles one to make conclusions without the use of reports and it is fair to say that, for the most part, the viability or otherwise of the proposed commercial venture has been there for all to assess and evaluate without the help of the experts. The experts only confirm your views or, at least, produce facts and figures to that effect. Another matter which, in fact, has been referred to by the Chief Minister is the high productivity levels required. We have been told that it is a sine qua non and its importance is associated with the finance for the project. What the Chief Minister has omitted to state in this debate or in

his contribution to the debate is the importance of high productivity levels being achieved, far and apart from the fact that the British Government won't release the money if not. The importance of high productivity levels is inherent in the viability of the enterprise and the levels which have to be attained is also a matter of considerable importance and on which the experts spend considerable time. We have not been told how the package which the Chief Minister has brought before us is going to achieve this requirement in productivity levels. In fact, the matter has only been briefly dealt with. Another point which is important in assessing the viability at a commercial level would be the good managerial ability of the proposed operators. Again, on this score, we have not had a detailed analysis of the preferred operators given to this House by the Chief Minister. On the contrary, what we do have is a serious doubt posed by my gallant friend, Major Peliza who, on a search of the company, found that the financial situation of the company is, without being suspicious, not particularly strong. As to the managerial ability of that company, reports tend to be very promising and on the whole we would concur with the view taken by the experts on the managerial ability of the preferred operators but we regret that the Chief Minister in his debate and all his members in their contribution have not stressed this commercial aspect nor have they related it to the proposal given before us. Again, Mr Speaker, another aspect which had to be considered in assessing the viability of the venture is the question of Spanish intervention. We have along history of Spanish intervention in commercial projects and the likelihood of such intervention being contemplated and the effects of any possible intervention have not been examined by Members of the Government. Again, here I would point to a contribution made by my colleague, Mr Restano, who has referred to an article in a British national paper which refers to work being commenced in Algeciras which could, as the title of the article says, threaten the scheme for the Gibraltar ship repair yard. Again, the Chief Minister has not turned his attention to this subject. Again, the Chief Minister has not considered or discussed the other commercial proposition which is for a multi-purpose user for the Dockyard. I think that, generally speaking, in Gibraltar the common sense view is that it must be preferred. It must be better to have an operation which does not have all its eggs in one basket. One that has flexibility. One that has a multiple user and will make it more difficult for any Spanish intervention to be successful and one that would be able to take up the slack when there is a recession or a decline in any one of the particular users, increasing the load in a more successful user. We have heard, Mr Speaker, no argument on this. However, we do have information contained, not so much in the reports, in the adverts made by those who did propose a multi-purpose user on some of the possible options that were open to us as part of the commercial venture to the use of the Dockyard. The most important part, as far as I am concerned, Mr Speaker, was the potential of the Dockyard as a liner base. One which should be far superior to the present waterport berth. This also, Mr Speaker, will tie in with the tourist infra-structure which the Government say they would like to strengthen. The other interesting factor in the multi-purpose user was that of the grain trans-shipment, an operation which, suprisingly enough, is particularly suited to Gibraltar because of the depth of the waters in our harbour.

When one examines the basic commodity which is the harbour, one must consider any and every particular facet of the Dockyard which makes it superior to any other harbour or port in the neighbouring areas. One of the most important assets that we have is hidden under water because it is the depth of the water. There are very few ports in the entire Mediterranean which can boast of the depth of berthing facilities that we have in our harbour. That depth makes it ideal for handling ships with a very large depth and, as such, one would assume that any user which was designed to cater specifically for those ships with a large displacement of water would be an interesting factor to consider. Again, Mr Speaker, none of the commercial reasons which I have stated up to now for accepting an offer were mooted or have been mooted by the Government, nor have they ever been mooted, Mr Speaker. This is the first debate on the viability of the Dockyard and even at this late stage we are not given an analysis of the commercial propositions which the Government would ask us to accept. Mr Speaker, another reason for accepting the offer on a commercial basis alone would be evidence from the Chief Minister that he has taken every personal effort to ensure that this was the right decision. I would have, for instance, liked to have seen a visit by Government delegations to other ports, to Singapore, to Hong Kong, matters such as that. A genuine show of effort, a genuine constructive programme, a programme of enquiry and especially, Mr Speaker, in the circumstances which face Gibraltar where suddenly, overnight we have to find a new landlord for the port. Instead of hunting around and looking at all the options at first hand, we have allowed ODA to dictate to us, Mr Speaker. Mr Speaker, I would also have expected in the debate to hear more of Government's participation or proposed participation in the venture, for them to show us their role and why their role would lead to viability. In this respect, the most significant paragraph in the Chief Minister's statement, in paragraph 60, which reads: 'It is up to us as Ministers and to the Civil Service to ensure that we achieve the greatest possible efficiency and sense of urgency in exploiting the opportunities for diversification of the economy which are now available to us and which we have the highest moral duty to pursue as a necessary complement to the efforts which the Dockyard workers are being called upon to make'. Well, if one goes by Government's past record in this area, one has little hope, Mr Speaker. The Leader of the Opposition this morning or earlier on this afternoon made an exposé of the failures that Government have encountered in diversification and there is no evidence which shows that this is going to change. It seems, therefore, that the only job the Government are giving themselves in this venture is doomed to failure anyway. So, Mr Speaker, if one were to judge the merits of the motion that we accept the offer, purely on commercial grounds, we cannot say that we have had any evidence given to us for accepting. We can say that we have had access to reports. We can say that we have had opportunity to examine these reports. In the case of the latest report, we had 24 hours whereas Government had a month. If we have had no commercial reasoning for accepting the motion we must turn to the other reason, or potential reason, for accepting the motion, and this is that it is as a result of a previous agreement. If, as I have stated earlier, the case was that we had made or come to some broad form of agreement and that Gibraltar had made

representations, made its own Gibraltar view and this view included recognition of the necessity for closure or the irreversibility of closure but that the Gibraltar view said: "Remember how we all agreed that we would accept this, well, this is what I have got". However, we did not agree to anything, Mr Speaker. If one examines the history leading up to this proposal by the Chief Minister, one examines the two year period in which the Government have been asked repeatedly by a number of bodies to form a Gibraltar view, it will be in the light of a decided Gibraltar view that the Chief Minister could come back to us and ask for our approval. The first persons to be included in such a debate or a Gibraltar view would be, one assumes, the persons most directly affected, the workforce at the Dockyard. Regrettably, however, there has not been, to our knowledge, close consultation with the Unions at the Dockyard. Rather, we have had the Unions exploiting a vacuum of political leadership at a time when the Government would make no statement, would take no view, would form no decision. It was during that political vacuum that the Unions were, in my view, wrongly lead by Mr Bossano to form or to take a view which I classified as suicidal. I am glad to see the Minister for Health echoing the view of the Opposition which was expressed over a year ago and which they have now finally come to realise. Again, Mr Speaker, the sorry history of the Chief Minister's shuttle diplomacy - I think it was classified as that in one of the papers and I thought it was jolly good - all in absolute secrecy, Mr Speaker. The only ones who knew what was going on was Spanish television. It was rather upsetting. Again, albeit that we passed the motion in February in which we said we were going to have consultation over it, we did not have any idea of what the proposals taken to the Prime Minister by the Government were. We did not know what the Prime Minister was offering or what the Gibraltar Government was asking for. Mr Speaker, I am glad that this is frankly accepted by the other side because it is the second logical premise under which we would be obliged to accept the motion. The premise, if I may repeat it for the benefit of the Minister of Economic Development, is that this House would have to resolve that the offer be accepted because this is the deal which was envisaged by all concerned and on which there was broad agreement. Now the Minister has finally confessed that there was no broad agreement. There was no attempt to obtain a broad agreement but that is not the fault of the Opposition. The Leader of the Opposition's willingness to attend, with the Chief Minister, the talks in London is indicative of our willingness to accept a majority view. I think it is most unfair of the Honourable Minister for Health to suggest that all he wanted to do was jump on the bandwagon of a tremendous offer. I don't think it was a tremendous offer. Is he telling us that the Chief Minister has come back waving a little paper saying: "Viability in our times"? Maybe we do have another Chamberlain. Mr Speaker, on this point, before I lose my further thoughts, the lack of co-ordination - and I think it is a serious charge that one now must level at Government - which would exclude the possibility of accepting the motion on the premise of previous agreement is apparent even at this stage. After Government have already come to an agreement, there is still a tremendous amount of disorganisation. It is apparent even as between them and the British Government. If I may make myself clear and refer Members to the Chief Minister's statement, paragraph 50 which occurs on page 18 says: 'Sir, I referred earlier to the offer

made by the British Government to contribute up to £28m to meet the initial cost of conversion of the Dockyard and other costs, and I said that the funds of the project will only be committed after satisfactory assurances have been obtained from the workforce on new working practices. The funds will then begin to be made available". On close examination of this point by Mr Bossano, the Chief Minister said that this was a condition stipulated by the British Government. One should then read the statement made by Mr Stewart at the House of Commons yesterday at the same time as the Chief Minister was telling us that the British Government was demanding that the agreement be first reached. First, in answer to Mr Duffy he said: "A no strike clause may be included in the conditions put to the workforce by the commercial operators". It does not seem as though it is the British Government. Then later on again, in answer to Mr Kevin McNamara, the Honourable gentleman refers again to the no strike clause and other conditions and says that they are matters for the commercial operator and the workforce. I see that the Gibraltar Government do not realise that it wasn't the British Government who were imposing these conditions, it was the operators. I think the . . .

MR SPEAKER:

No, with due respect, I do not think that anything was said in this House to warrant that statement. I do not think anything has been said in this debate to warrant that statement but, perhaps you make this by way of comment and nothing else.

HON A J HAYNES:

As I understood yesterday, Mr Speaker, this "no strike clause" or agreement was a condition stipulated by the British Government, and without which . . .

HON CHIEF MINISTER:

If the Hon Member will let me explain this matter because, I mean, we can hear a lot of ideas which may or may not be sensible but let us get the facts right and then from there we can say what we like about it. It is not the question of the British Government putting a 'no strike clause' or any clauses at all. What the British Government have said is that they will start producing the money for the conversion when practices have been negotiated with the workforce that will make viable the commercialisation of the Dockyard. Now, what those practices are will be the matter of negotiations between the Dockyard workforce and the Operators who are the people who have to know what the practices are, in order to become competitive.

HON A J HAYNES:

Mr Speaker, it is the same in different words, as I understand it. I see it as a classic example of passing the buck. It is not us who want to elicit from the workforce this 'no strike

condition'. The British Government take the same attitude and Appledore take the same attitude. No one is obliging the workforce to sign this 'no strike clause' then. Will the Chief Minister say on whose insistence is the 'no strike clause' being included?

HON CHIEF MINISTER:

Oh no, the British Government and the Gibraltar Government can be intermediaries if necessary. The Gibraltar Government will use all its offices to try and help the workforce to get an agreement. I think, perhaps, the Honourable Member should look at it against the background of the situation in England yesterday when certain proposals were made for a new review body for the nursing staff and so on which have a condition of 'no strike clause'. This, I think has highlighted these references about 'no strike' in this question. Whether that is required or whether that is agreed between Appledore and the workforce is a matter for them; whatever they require or whatever is acceptable to the Union. I have not been told at any stage that there must be a 'no strike clause' in any agreement. I have not been told what the practices are. The practices must be the practices that will make the commercial dockyard viable.

HON A J HAYNES:

Will the Chief Minister say whether his Government is prepared to impose a decision to the effect that satisfactory assurances as to work practices be required of the workforce.

HON CHIEF MINISTER:

Yes, we want these satisfactory work practices. What those are is at the judgement of the Operators. The workforce, no doubt, will start bargaining to come to terms. We are not going to impose any condition nor are we going to be parties of any negotiations.

HON A J HAYNES:

I thought that, Mr Speaker, It was that particular point I wanted to stress. Nobody particularly wants, it seems, to take the responsibility.

HON CHIEF MINISTER:

Yes, we want to take the responsibility. There has not been one word on this side about the contribution of the workforce, despite the fact that the Leader of the Opposition goes round parties saying that we are afraid of confronting the Unions and what we want here is a Thatcher who will do to the Unions here, what Mrs Thatcher does to the workforce in England.

HON A J HAYNES:

I take the Chief Minister's point, Mr Speaker. So, the Chief Minister, and not us, is responsible for the following words: "I am sticking my neck out more than ever before on this question of commercialisation and related issues, I will stand or fall by them". Well, he is not doing much to stand by them, Mr Speaker, if he is not prepared to impose his decision. You do not leave it to others. It is not my view of taking a firm stand. One does not take a firm stand behind the skirts of the Operators, Mr Speaker.

HON P J ISOLA:

If my Honourable friend will give way, the Government has read the Appledore Report, the Government have read the conditions upon which Appledore is prepared to operate and they know full well what the position is.

HON A J HAYNES:

Mr Speaker, not only, as I said, is there no Gibraltar view which was available for the Government before and which would now oblige us to stand by the Agreement but it seems that there is no Gibraltar view as to the future. This question as to who is going to finally take the decision as to working practices, is still in the bag. It is a very serious question mark which hangs over viability, if the same Government which is responsible for government in Gibraltar is not in fact going to take control. In the same way that the fruits of the previously negotiated agreement between all Gibraltarians would have been a compelling reason for accepting this motion, by the same token, a hasty and instant debate is a very poor reason for accepting this motion. We feel that we have been stamped into a position by the Government. Perhaps the lack of predecessors, on the part of this administration, for the Gibraltar view is symptomatic of the reluctance to face up to problems and of the hope that by ignoring them they will go away. Unfortunately, this has crept up behind and caught up with the Chief Minister and his cabinet. So, Mr Speaker, one turns to the third logical reason for accepting this motion and accepting the terms offered by the British Government. That, Mr Speaker, as I outlined it would be that the offer outlined by the Chief Minister is the best field that could be negotiated. Mr Speaker, I think that point has been answered by the Chief Minister himself and by the Members generally and really the answer is that it is not the best one, it is the only one. It was not only the best offer, it was not negotiable, Mr Speaker. There were a few frills that come on and off. If that is the case, and this is, in fact, an offer that we could not refuse, Mr Speaker, in popular terms, then what need is there for us to accept it. We have to take it whether we want it or not. I don't see any element, in the offer, which is negotiable. I believe, Mr Speaker, that this difficult position in which the Government find themselves today, where they have no alternative but to accept the terms, is a difficult position for which they, in part, are responsible. This history of the negotiation of an offer has to be

examined in the light of previous similar attempts. The first one, Mr Speaker, one which has been alluded to by my colleagues is the question of British Nationality. Perhaps younger Members will accept that 'A' levels and other exams seem impossible until they have done them and when they have done them they seem to be taken for granted, and so on. It is human nature to take things for granted once they have been achieved. This is also true of the British Nationality Act. It is now taken for granted that we were bound to win and that that is why we did. In fact, Mr Speaker, I remember the general view held by all those in Gibraltar and all those in England that it would be impossible to reverse a decision of the British Government of this magnitude, more especially since the considerations were more widespread than the interests of Gibraltar and they included the relations of Hong Kong and others. The mountain was insuperable, Mr Speaker, and yet, as a result of a well coordinated, well planned and long campaign the decision was reversed. Regrettably Mr Speaker, that was not the case on the matter of the Dockyard decision. I would inform Members of this House that as late as March, 1982, many months after the decision was known to Members and when I was in the House of Commons on a seminar, I was astounded by the lack of information on the question of the Dockyard. The vast majority of British MPs and the vast majority of British MPs friendly to Gibraltar, with whom I made contact had no idea as to what the Dockyard meant other than they automatically assumed that we wouldn't like it. They had no conception of the difficulties that we would encounter at an economic level. They had no conception of the effect that this was having on Gibraltar morale and this lack of information is, for the most part, the responsibility of the present administration. In fact, I was told by a senior journalist who covers the House of Commons that that generally seems to be the problem with Gibraltar issues. The information is never available to Members and is never circulated properly. Furthermore, Mr Speaker, no effort has been made to bring out large numbers of MPs to see Gibraltar, not by this administration.

HON CHIEF MINISTER:

We had a party coming, but it had to be cancelled because of a small incident of a general election.

HON A J HAYNES:

Mr Speaker, that was in June this year. The problem has been outstanding for a long time and when I came back from London I knew that some of them wanted to come. I made the necessary enquiries but nothing was followed up, Mr Speaker. This lack of information, this apparent apathy, this apparent acceptance of the decision has weakened our own Gibraltar Lobby in the House of Commons. As such, Mr Speaker, an effort which is two years late, to change the decision or to acquire better conditions was ill-conceived. Furthermore, this, in my view, childish decision not to take the Leader of the Opposition and, with all due respect, my friend and colleague, Mr Bossano, to England to knock on the Prime Minister's door was a serious and grave error. Therefore, Mr Speaker, how can Members of this side of

the House be convinced that this is the best field possible when we know that for two years precious little has been done to change the decision. Precious little has been done to work up a Lobby. Precious little has been done to establish a Gibraltar Lobby on this issue. How can we now be convinced that two visits in one week, Mr Speaker, have produced the best results. Furthermore, Mr Speaker, we know that the improvements are as the Chief Minister said, £3m pounds and a year's deferment. This is my idea of the best deal possible. Now, looking at it in a cynical manner, you divide the millions of pounds that have been given to us, by the number of people in Gibraltar and it works out at about £1,500 per person and membership of Rosia for a year Mr Speaker. Mr Speaker, again, I do not think that we should be asked to accept the motion on the basis that this is the best deal that could be negotiated when all signs are that it is not. As I believe the position to be, we are being asked to prop up Government because they have no choice in accepting it and they want us to rally round them. Then, my only advice, Mr Speaker, is to go to elections.

HON H J ZAMMITT:

Mr Speaker, Sir, listening to Members opposite I have, during the course of the afternoon, come to certain conclusions which I think, as I will amplify later on, have been ratified by the intervention of the Honourable Mr Andrew Haynes. I would like to commence, Mr Speaker, by saying as my Honourable friend Mr Canepa said: 'It has not caught us by surprise to see that the official Opposition took this kind of stand in this motion'. I think, equally, we were totally aware of Mr Bossano's consistency throughout. Whether we had got £14m, £140m or 5 years, Mr Bossano would have opposed it from the moment go so I can see that consistency. What one cannot understand is the inconsistency of the official Opposition because it appears that if we had come to the House and said in one breath: "We were given 5 years extension, £56m for modernisation, £28m over the next five years on RFA fittings and double everything else, the fact that the Honourable Mr Isola was not invited to 10 Downing Street, it seems to me, irrespective of whatever offer or whatever arrangements the Gibraltar Government made, would have never been good enough. Alas, should the Honourable Mr Isola have gone to 10 Downing Street and have got the year, just the year's extension because he admits himself that they thought they had six months, that would have been eureka. Eureka, we have found it,

HON P J ISOLA:

That is what the Honourable Member says about tourism increases every year.

HON H J ZAMMITT:

I'll go on to tourism later on, Mr Speaker. I am talking of consistency because it is made abundantly clear, to any person listening to the debate that it is difficult to understand what kind of deal would have satisfied the official Opposition. What

kind of deal. There appears to be nothing more than a personal vendetta because whatever is done on this side of the House, irrespective, is bad. We would have done better. Mr Speaker, some of us have pretty good memories and others better than those and we have been accused that we have not pressed the British Government enough, we could have got more, particularly by the Hon and Gallant Major Peliza. Well, I remember clearly and vividly, when he was Chief Minister of Gibraltar during those 2½ years of glorious Gibraltar prosperity, that he told the public of Gibraltar: "We must not fight the hand of he who feeds us". We must not fight the hand but when Britain gives you £28m, £14m another million pounds, land, reprovisioning of the sites at their expense, we must bully Britain further. That does not satisfy them or does not satisfy certainly the Honourable and Gallant Major Peliza. I can assure the Honourable Member that there are things that they have mentioned that, of course, have come our way and we have considered. It is no secret that no member on this side of the House, and I dare say, subject to being corrected, no Member on the other side of the House, not one of us wanted a closure of the Naval Dockyard. Not one of us wanted it. We would have liked the Naval Dockyard, despite Mr Bossano saying two hundred years, to have remained yet another two hundred years in Gibraltar. Whether we have to be grateful to them or them to us, we certainly had a way of life. Gibraltar had modelled itself on the way of life that seemed to suit some people. None of us wanted it, that is the first fact. The second fact which I think is a reality, and let us not kid ourselves, is that we all knew, and I am sure the Honourable Mr Bossano with all his influence in the Trade Unions in Great Britain, he himself was convinced, we were thoroughly and totally convinced that the Naval Dockyard in Gibraltar was closing. Whether it was March 82, December, December 83 or 84, a time had to come when due to circumstances beyond our control the Naval Dockyard would be coming to an end. Therefore, under those realities of life, one had to look at the whole context of the situation and try and get what we considered, what had been recommended to us as the only, the best, and I would use the word "part", alternative. I agree with my colleagues here that we do not think that the Commercial Dockyard will fill the vacuum left but partly take up the vacuum left. Therefore it is better than having nothing at all. Rightly so, no one opposite has said whether we should start growing mushrooms or pansies, primroses or primulas. We just have not been able to find an alternative better than ship-repair that would suit Gibraltar's demographic position.

HON J BOSSANO:

If the Hon Member will give way, surely that is because the Government and, indeed, other Members of the House accepted in a previous motion in this House that in looking at any alternative that priorities of the base had to be put first. The Honourable Member must remember that when looking at alternatives that is a condition that, of course, limits him. If he is going to limit what Gibraltar can do to what the MOD will allow him to do then obviously his room for manoeuvre is very limited.

HON H J ZAMMITT:

No, Mr Speaker, what I mean is that there are certain facilities, i.e. the dry docks, which obviously are there for that kind of business. They could not be converted into greenhouses. Therefore, shipbuilding was considered to be the best. One thing has been mentioned, and rightly so, by invariably every member that has spoken and that is the shipping recession. There is a shipping recession without any doubt but there is a world recession in practically anything that you can think of. There is even a water recession. There is labour recession. I don't know if I am speaking with total accuracy but I think the figure now is over 20 million unemployed in Europe alone; over 20 million unemployed. Where I find merit, particularly in the efforts of the delegation, is that, whether we think that Britain owes us a living or the world owes Gibraltar a living, there are very many who certainly do not feel that way, very many. By looking at the House of Commons Report and questions, those people who have defended us on the Nationality Bill certainly do not feel that they owe us a living in perpetuity. I think we have to be very careful about that too. In saying that, Mr Speaker, all these recessions taken into account, we have to find a way and I think it was found, in fairness to the British Government - and I am not the most complimentary individual - to the MOD or the land factor or other factors which I think are well known. I think that the deal that Gibraltar has had has been second to none in other areas within the UK, not only in shipbuilding in dockyards but where factories have closed down without any other form of alternative employment, without any other form at all of livelihood. We can all talk of the dole in England and the comparison between the dole in England and in Gibraltar but the concern that the British Government has shown to Gibraltar's Dockyard it certainly has not shown to places like Chatham and the others. I will not dwell on that because, again, I know it can be argued both ways and I can see my friend over there smiling. We must take that into account and not be all that ungrateful when one talks of finding or trying to find a way out from our present predicament. Mr Speaker, I think the intervention of my Honourable friend, Mr Canepa, which was not only an intervention but an excellent exposition of the whole affair, clarified an enormous amount of the Government's position and indeed, it is difficult at this late stage not to be repetitive. However, I think there are a few points which have to be amplified. First and foremost, we have been having land from MOD, reverting to the Crown in the civil capacity in tidily bits around town, the odd house here and the odd house there but we have never in the history of Gibraltar been given by the MOD, and I put that in inverted commas because I still say they are giving back our own land, prime land which is attractive, and I can say that Mr Speaker with some authority, to developers. I can also tell Members opposite in case they are not aware that I do know developers who are interested in developing areas such as Rosia Bay and Queensway for whatever touristic, in particular, or sea-front amenities are thought fit by Government. Let us not all just look and turn round and say that, because we had no tenders, successful or otherwise, for the Command Education Centre that everything is black and grim. It isn't. There are still a lot of people interested in putting money into Gibraltar, and, in fact, Mr Speaker, interested to the degree that they very much would like to see Government showing the kind of lead that we are

asking this House to take in this motion. They would like to see us showing confidence in ourselves as a people before we ask them to pour millions of pounds into our Gibraltar. The land situation I particularly receive with open arms. Mr Speaker, I think the Honourable and Gallant Major Peliza and then the Honourable and Learned Mr Haynes spoke of the possible Spanish intervention in trying to bring our commercial Dockyard into economic ruin.

HON J BOSSANO:

I would like to intervene before the Hon Member passes on. It seems to me, Mr Speaker, that the motion, in fact, does not ask the House to say anything at all about the land or about the possible potential touristic development of the land. The motion says that the House accepts the offer to establish a ship-repair yard. Maybe the land that the Government has now got available for development is the best land they have ever had and it maybe that there is a possibility of developing it which has not existed before. I am not in a position to judge that question but surely, it is not an argument to say that because Rosia may have better potential for development than the Education Centre, it follows that the ship-repair yard is going to work.

HON H J ZAMMITT:

He is absolutely right, Mr Speaker, the trouble is that the Honourable Mr Bossano was not in the House this afternoon when Members opposite had said that despite the fact the MOD may hand back land to the Government of Gibraltar, we would not be able to get developers to do so. I am just answering that point, that there are people interested in developing prime sites such as the ones that are being returned to us. It is not that I am saying that I align that to the efficiency of viability of the Dockyard. Mr Speaker, going back to the Honourable Major Peliza and Mr Haynes on the question of possible Spanish intervention, we thought of that although it may strike the Honourable, Learned and Eminent My Haynes. We do think now and again, much to your surprise. I am afraid that the advice that we received was not very disheartening. In fact I do not think Spain is going through a glorious economic boom during this era and I think that before they started subsidising either Cadiz shipyard or the Algeciras one that hasn't yet started, they might think of subsidising Sagunto where the unemployed 4,500 men have not been provided with an alternative or anything else. I very much doubt if Spain would be prepared to subsidise a Spanish ship-repair yard ninety miles up Cadiz or across the Bay, certainly, for at least three, four or five years because we know very well that there is 50% of injection already guaranteed by the British Government into our ship-repair yard. So I don't think I would like to labour very much on that Mr Speaker.

HON W T SCOTT:

If you could give way just for a minute, it seems to give the impression that it is not Spanish Government policy to subsidise any company and we have a very recent one, Rumasa, which is a conglomerate far bigger

HON H J ZAMMITT:

That was not subsidised that was a national take-over. Anyway, Mr Speaker, I am just trying to answer that I do not think that is a major point that we would have to consider. Mr Speaker, it is not a major point, not with the guarantee, Mr Speaker, that we had, both on the offer and in the statement made by Mr Stewart in backing the economy or whatever, should anything fail. Therefore, I do not think that that is very valuable. Mr Speaker, what we do find coming out, and I must omit the Honourable Mr Bossano from this for the reason I explained earlier on, is that the Official Opposition are really vexed about this question of the broad agreement. I am satisfied, as I am sure very many people are, that if - never mind consultations, never mind information - the Honourable and Learned Mr Isola would have been allowed to go to England, then everything would have been all right. It is obvious, Mr Speaker, that that is the whole upset of the Honourable and Learned Leader of the Opposition. Mr Speaker, I do not know - and I am not going to repeat the words that the Honourable and Gallant Major Peliza mentioned, existed between the right Honourable Mrs Margaret Thatcher and The Honourable Sir Joshua Hassan - I do not know what other views can be held but what I do know, Mr Speaker, and it may pain Members opposite, is that Mrs Thatcher does hold Sir Joshua Hassan in very high esteem in Great Britain and in Gibraltar. Whether it pains the Opposition or not, it was not because of Sir Joshua's blue eyes but it was because of his political acumen, his fibre and his fairness in the 40 years that he has ruled Gibraltar. It is there, Mr Speaker that Gibraltar stands fairly and squarely among the reasonable people in Britain. Not being accompanied by anybody else, let me assure you, would have got us any more or any less. I think Mr Speaker, that a time will come, not in the too distant future, when the people of Gibraltar, reflecting upon this offer coolly, may consider that were it not for the presence of Sir Joshua Hassan in Gibraltar we might have gone through a much greater disaster than any of us would have liked to have endured.

MR SPEAKER:

Well gentlemen, I think we have had a long afternoon and I think that perhaps it would be a good time to recess until tomorrow morning at 9 o'clock.

HON P J ISOLA:

I think, Mr Speaker, that we should meet at 9.30 because we are meeting all the time at the convenience of the Government side. I mean, normally it is unthinkable that the House should have sat till 9.30 pm and normally we would not have sat. I did protest to you about sitting so late and I suggested that we should recess at 8 pm and then start at 9 am. However, if we recess at 9.30 pm and we start at 9 in the morning it gives nobody any time to deal with urgent matters that they may have to deal with.

MR SPEAKER:

With respect to the Honourable Member, the Leader of the Opposition, I have heard what you have to say. It is not inconceivable that we should sit until 9.30 pm because we have sat till much later and I have recessed until 9 o'clock tomorrow morning after sounding the views of the Chief Minister whose prerogative it is to decide when we meet. The same thing happened yesterday afternoon. We are talking about half an hour. As I explained this afternoon, due to a slip of the tongue I did give you that half hour yesterday and I feel that we should not waste our time on whether we should meet at 9 am or 9.30 am. I think 9 o'clock tomorrow morning.

HON P J ISOLA:

Yes certainly, Mr Speaker. Now we know that it is the Chief Minister's prerogative, so please do not consult me about these things anymore. It seems to me that the Chief Minister does what he likes, as indeed, he is entitled to because of his majority. However, let him not have this process of consultation which he never follows.

HON CHIEF MINISTER:

That is not fair, Mr Speaker. It may be that on one day or two days it may not be the way that the Honourable Leader of the Opposition likes it. I give way many, many times and he knows it. I have given way many times over the years. It so happens that this business must be finished quickly and that is all. Insofar as these prerogatives are concerned, yes, but I don't use that with a hammer. I try to persuade people but what I cannot do is, in deference to that, become a slave to other people who have not got that prerogative.

MR SPEAKER:

In any event we will now recess until tomorrow morning at 9 o'clock.

The House recessed at 9.30 pm.

FRIDAY THE 29TH JULY, 1983

The House resumed at 9.10 am.

MR SPEAKER:

We are now continuing the debate on the Chief Minister's motion.

HON W T SCOTT:

Mr Speaker, I think I ought to start my contribution by commenting on certain remarks made by Members Opposite on Wednesday and yesterday. As far as we are concerned, Mr Speaker, other than the 3 years RFA work and the increase from £11m to £14m which I shall go into in more detail at a later stage, all that the Government has achieved is basically a one year's stay of execution. It seems to me rather peculiar that the Chief Minister, and it was perhaps a pointed remark, on Wednesday when introducing the motion said: "I am sticking my neck out more than ever before". Later on he went on to say: "I will stand or fall by them". I think it is rather a shame and a pity that the Chief Minister made this statement after and not before the Hanging Bill in the House of Commons, Mr Speaker, a number of remarks were passed by the Honourable Maurice Featherstone yesterday and I am a bit confused. He was talking generally about the package and, I quote again, he said: "It was the best of a bad deal". My Honourable Friend on my right, Mr Gerald Restano, has already mentioned how in the House of Lords on Wednesday, Lord Trefgarne, on two occasions within a short intervention, described Sir Joshua's reaction and I quote again: "Sir Joshua appears to be very happy with the arrangements that have been reached". Very quickly afterwards he said: "I think that Sir Joshua is well pleased with the agreement that he has reached with the British Government". That, Mr Speaker, is very different to what the Honourable Member, Mr Maurice Featherstone, was saying yesterday when he described it as the best of a bad deal.

HON M FEATHERSTONE:

I said: "What could be termed the best of a bad deal". I did not say specifically that it was a bad deal.

HON W T SCOTT:

Yes, but it was termed by the Honourable Minister as the best of a bad deal. Mr Speaker, there is a further point that the Honourable Member said which also requires clarification. He said that 40 to 50% of the capacity of the Dockyard, for the first three years, would be through RFAs. The statement that was made, also by Lord Trefgarne, two days ago in the House said: "The work that we are providing will, in the early months and years of the new commercial Dockyard, be substantially all that it can cope with". There is a very great confusion here, we are talking about a workload double of that which was suggested and I would like some clarification, perhaps from the Chief Minister or the Hon Member opposite.

HON M K FEATHERSTONE:

If you remember the presentation we had from Appledore, they were expecting a workload increasing over the 3 years, obviously starting low and gradually getting bigger, but they were aiming at something like £30m over three years.

HON W T SCOTT:

Mr Speaker, with respect, that has nothing at all to do with the 40% or 50% of the capacity that the Hon Member mentioned yesterday and what Lord Trefgarne said in the House of Lords: "...be substantially all that it can cope with". There is a very great difference. In the early months and years there will be no other work, according to Lord Trefgarne, other than RFA work, that the Dockyard can cope with. That is the essence of this statement.

HON M K FEATHERSTONE:

The Hon Member is a little confused. He possibly has not seen Appledore's projections.

HON W T SCOTT:

Mr Speaker, there was a comment also, passed by the Hon Minister for Economic Development and Trade yesterday when he was talking about industrial negotiations and so forth. I think the words he used there was that Appledore or the management would have to negotiate with the unions. It is, perhaps, a little bit surprising for him to make that remark because a number of Members of Government opposite have - obviously they have not agreed with my Hon Friend on my left - at least said of him that he has been totally consistent with his fight over the Dockyard over the last twelve or fifteen months. He has gone on record, even as late as last Wednesday, in saying that as far as he is aware, although he was speaking as a politician, the unions will not negotiate with Appledore. He made it blatantly obvious on Wednesday night on television, what his party would do should they come into power. Mr Speaker, I think the Government is perhaps pulling wool over its own eyes if it expects the Transport and General Workers Union to negotiate with Appledore if, as we suspect, the stand that they have made up to now will not continue. I think it is invidious to think that any union can negotiate with a management set-up that imposes conditions on its negotiations with the union of a no strike or industrial action clause for four years. That, I think, even the Gibraltar Labour Party/AACR, hopefully, will find unacceptable as well. I think that if Appledore have any visions of ever getting this project off the ground, they will obviously have to think of negotiation at an individual level and not negotiate with the union. That is a totally different story. If that happens, then obviously the Union will perhaps have to think of what other tactics it shall employ, but that is up to them. Mr Speaker, there have been also a number of remarks passed on the land aspect of the package deal, particularly late yesterday evening when the Hon Horace Zammitt was talking. He gave way, rightly, to the Hon Joe Bossano when he went a little bit off target but I venture to suggest that in fact that there is an aspect of land which has very much to do with the Dockyard and which the commercial operator is not going to be using. It is perhaps indicative in that context, looking at the record of commercial private development that this Government has had. In passing that comment I think it would be less than fair of me not to make a remark regarding the Minister for Economic Development and say that the record that he has had in his Ministry has been

a very greatly improved one when compared to the ones that have been had by his predecessors. I accept that and I think he has to be congratulated on that. We have made that point in this House on other occasions. But notwithstanding that, Mr Speaker, the record of private sector commercial development is not as good. In fact, it could be described as reasonably dismal and certainly none of that development, other than one that I can think of, the marina, is revenue raising in itself. There was an opportunity, Mr Speaker, and there has been an opportunity, I think for the last nine months or one year, for revenue raising development within the area of the Dockyard, in a situation where the commercial operator was not requiring that piece of land. To this, the Government has given nothing other than lukewarm support. It has lasted for over twelve months, a lot of money has been spent by the intending developers and by past financiers and the Government has had no positive reaction whatever. To such an extent, Mr Speaker, that the same people have had to go over to Spain, they have already, or so I understand, been promised the land, they have been promised a good financial and fiscal set up to their advantage. The signs are that the final deal will be negotiated and signed very quickly. We all know what I am talking about, Mr Speaker. I am talking about the Solarex enterprise, the Solarex factory which not only would have brought export earnings to Gibraltar but would have provided, in the fullness of time, a very definite number of jobs and job opportunities to Gibraltarians. We have certainly not heard from Government, in the course of this debate, what their opinions are on this development, which seems to me rather sad. I think the people have the right to know in a public forum of this nature. I think I will give way now.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

A point of clarification, Mr Speaker. I wonder if the Hon Member would like to tell us whether he read the proposals and projections by Solarex and if so whether he considers them viable?

HON W T SCOTT:

Well, Mr Speaker, I do not want to take up a political point with the Hon Member on my left. I am asked to consider these proposals viable in the same context that I can consider Solarex viable. The Government, at least, after they had received the reports from Appledore went to Belch, Coopers and Lybrand and after that went to Casey but did they undertake the same exercise with Solarex?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker.

HON W T SCOTT:

Well, I am glad to hear that from the Hon Financial and Development Secretary because that is the first we hear of it. Where at least we have had the consultant's reports on the Dockyard,

at least on a confidential basis, we have not had that and this is the first time we have heard that they have been investigated. There has been no, certainly as far as I am aware, no cost element in the Supplementary Estimates to pay for a consultant's report, the same as we had with the Dockyard, of £20,000.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I may intervene, with respect to the Hon Member. This was looked at as part of the on-going study of the Dockyard and the work which was undertaken by Coopers and Lybrand on this. It was paid for from the funds which they are receiving from ODA for the Dockyard study. The results and their comments were sent to the local firm representing Solarex.

HON W T SCOTT:

Well, the only thing, Mr Speaker, and the last, infact, on that is that we do not consider these proposals viable and I think that at the beginning Government perhaps might have had its own reasons why perhaps it did not find them viable. Otherwise they would not have solicited the opinion of consultants. Mr Speaker, continuing with land, Government's record on its initiative regarding the East side reclamation is a very good one - I think that I complimented the Minister on that when he first announced it in this House - and Members are aware of the interest that I have shown in this by the number of questions I pose in this House and other Members of my party. However, I have always warned Government, and increasingly so of late, that this is a project, Mr Speaker, that in its finality could be greater even than the Dockyard. It could provide an economic base, a financial structure, a job opportunities scheme far greater than the Dockyard, naval or commercial. I had purposely not asked the Minister for Economic Development and Trade when we had the last questions session in the House in order not to interfere with what perhaps could be termed as the confidential nature of the possible negotiations. Yet, I have warned him, Mr Speaker, and I think he took the point that in an investment - and we are talking about quite a few hundred of millions of pounds investment at the end - of that nature you have people that are interested, they are not going to wait forever. They have the money available, they are not going to wait forever. They are going to go somewhere else.

HON A J CANEPA:

If the Hon Member will give way and I am grateful for that. It is true that he has not raised the matter of late and therefore I think I owe him some explanation as to what the state of affairs is currently. I think he will recall that I gave an indication that since it is such a huge project and since there was very little between them, certainly not enough on which we could decide between one and the other, I asked the two parties to get together to see whether they could jointly undertake the development. Arranging meetings between the two parties has been an extremely difficult and frustrating process. The position was, two or three weeks ago, that a meeting was held in

London. It was not very satisfactory but progress is not being made, not so much because they are not making progress in discussing the details but because not enough meetings are being held to give them opportunity to actively get together. I think the stage is being reached when next month I shall really have to call in the legal representatives of the two firms in question and, as it were, knock their heads together. Either they make a move jointly or, if one or the other is responsible for the lack of progress because they are not willing to get together, the Government, I think, may have a new situation and, if only by default, we may be in a position in which we have to make an offer to one of them. That is the position at the moment. Therefore what I am indicating really, and I hope he will accept it as a sincere statement, I honestly do not think that any fault lies with the Government, so far, as regards the delay.

HON W T SCOTT:

I am grateful for that intervention, Mr Speaker, but it is not a question of apportioning fault or blame. It is a question of Government, having taken the initiative, it should ensure that that initiative is carried through in all of its stages and that decisions are taken by the Government as and when they are necessary.

HON A J CANEPA:

I take the point, Mr Speaker, I just hope that, if a decision were to be taken, the Opposition, particularly the Hon Mr Willie Scott will view the decision in that light.

HON W T SCOTT:

Well, that is our prerogative, Mr Speaker, if and when the time comes. However, I am grateful for the Hon Member's intervention. Mr Speaker, there is something that I certainly would require some further clarification on because it does not seem clear to me and I will try hard not to reveal what is contained within these reports when I say what I have to say. It is something that appears very ambiguous to me, something that the Hon and Learned Leader of the Opposition raised in an intervention at the end of the Hon and Learned Chief Minister's introductory speech to his motion. That was the £11m which is now £14m. As we understood it, Mr Speaker, certainly as far as I understood it - the Hon Joe Bossano said it quite clearly as well that it was not like that - it was that the £11m was part of the £28m, the £28m being composed of £17m and £11m. This is contained, in fact, within this report. "The total funding required from ODA will be approximately £28m".

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On a point of clarification, Sir, that is from ODA. The £11m is the funding from the Ministry of Defence that is possibly where the Hon Member may have been misled by the report.

HON W T SCOTT:

I still have to find the £11m, Mr Speaker.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that the Hon Member will find it in the balance sheet figures at the back of the report where it indicates the amount of work but it is very difficult to say in the House why the actual £11m was not put there. There is presentational reason and I will talk to the Hon Member outside the House if I may, I am sorry, Mr Speaker.

HON W T SCOTT:

Mr Speaker, I am grateful and I obviously will accept that offer. Mr Speaker, it has been said many times in this House by the Government that the deal could not have been made any better if there had been consultations and the tripartite approach to the British Government and the British Parliament over a period of time had been made. What we say is why could not the deal have been better with an all party involvement? If Government have achieved what they say is an acceptable deal with one year's deferment after being in, used unreservedly, secret negotiations during something like twelve to sixteen months, why cannot they, the Government, accept that by the same token a united approach could have achieved a better deal? Mr Speaker, there is an aspect of that deal that has not been mentioned before and I wonder, in fact, whether any regard has been taken of it. In the absence of any comment, I must assume that it has been forgotten about completely although I hope I am going to be corrected. Does the package, for example, contain financial aid to companies who, because of the operation of a commercial yard, of a new commercial yard, and having been for very many years in the shipping and yacht repair business, will find that they now cannot compete with an admittedly subsidised yard and will have to cease operation? If there is any compensation to be made for the loss of business of those enterprises, the loss of businesses or perhaps even total liquidation of those enterprises, is there any compensation that is going to be paid to those enterprises and if so who by? Where is the money going to emanate from? I think, Mr Speaker, there is one obvious one in particular that I am talking about. I think that after having done a great service to shipping generally, and Gibraltar in particular, over quite a number of years it will have either to contain itself to a very small operation indeed or close altogether. That is the Bland Ship Repair Yard and foundry on the other side of the airport. I think it would be less than fair to expect businesses of that nature, which will obviously see a very detrimental effect to them of a new commercial yard, going out of business without compensation. There are other enterprises not as large as that which do not employ so many people but, of course, the principle is still the same. I wonder, Mr Speaker, what guarantees there are that the new commercial operator, if the business envisaged by them does not materialise and that their workforce is not completely occupied, would not enter into activities which, traditionally, have been undertaken by a number of small, medium or larger companies that have had absolutely nothing

to do with dockyard, naval or commercial work. For example, in the construction industry, in computer services, offering computer services - because we have all heard how Appledore has this marvellous computer that they are going to install in Gibraltar - in welding and other mechanical and electrical services and the preparation of drawings. Will this put more jobs outside of the Dockyard walls at risk, Mr Speaker? There has been no comment at all from Government on this. Mr Speaker, we understand that the commercial operator will be introducing parity, only for the first twelve months. After that it will be on a, presumably, productivity basis, how they work and so forth. It raises a question, Mr Speaker, because Government is a very large employer and indirectly it will also be the employer of the Gibraltar Shiprepair Company Limited. Although it is a private company the shareholding will be by Government and there will be Government appointed people and, perhaps, even civil servants on that board. Perhaps Government is in a position to say no. We cannot be in that position because we do not know. Mr Speaker, what is Government's policy with regard to the continuation of its present parity policy in public sector employment. Are we to expect, for example, a virtual freeze on job creation and opportunities in the public sector to oblige workers to take up employment in the commercial yard? Well, that has not been mentioned before. I think it is a very important one. Is Government also hopefully going to look to see how the negotiations at an individual level are taking place with prospective employees of the company with a four years "no industrial action" agreement and see how they can perhaps use it. A word of warning to my friend on my left, on that basis. Mr Speaker, we have had a number of documents, not all made available to us over the last few months. One in particular, I think it is called Casey's has been mentioned here yesterday. The Hon and Gallant Major Peliza explained how, in conscience, he could not read that document. Well, Mr Speaker, there are two of us on this side of the House that feel exactly as he does and I am one of them. The case could be made, perhaps, for a document paid by taxpayers outside of Gibraltar, finding itself in our hands and the people of Gibraltar not being made privy to it. However, when the report is paid by the taxpayers of Gibraltar, on an issue as important as the Dockyard, I think, Mr Speaker, there is a morality about the whole issue and a very strong one at that. It is a very strong point of principle. I am sure that moral point has not been lost on the Government, Mr Speaker. I can only draw one conclusion from the Government's decision not to make it public, in fact, not even to give us a copy like this to take home or to our offices to study. We cannot even do that. We have got to go down to the Secretariat, confirm to them that we will not disclose it, read it and then go home like good little boys. Mr Speaker, I suspect, therefore, that if Government has chosen to withhold this report from the public - and that is the only conclusion I can come to - and attempt to tie our hands, which they have done - and remember I have not read that report - its recommendations cannot be other than obviously a highly politically damaging one. They must be in conflict with the decisions taken by Government in arriving at the agreement of the package deal. They must be, I can draw no other conclusion. There have been no reasons stated as to why this confidentiality. I feel, Mr Speaker, that that being the only conclusion that I can come to, and I think I am not altogether wrong in that, the Government must view it as a very great contributor, should it be made

public, towards a decrease in the votes in favour of the AACR at the next general elections which hopefully will take place soon.

MR SPEAKER:

Are there any other contributors?

HON MAJOR R J PELIZA:

Well, Mr Speaker, if no one has anything further to say I think I will have the last say for our party in Opposition. I have, as you know, Mr Speaker, spoken on the two previous amendments.

MR SPEAKER:

With respect to you, you have spoken on two amendments. You have spoken on Mr Isola's amendment extensively and therefore I will remind you, as I warned you then, that you have had over an hour on that one and I will not allow any repetition.

HON MAJOR R J PELIZA:

Yes, Mr Speaker, I will just start with the statement of the Chief Minister to which I hardly referred yesterday. I won't take very long, except to say that as he was reading, he said: "As this House knows, we have been engaged in the most intensive consultations with the British Government for the past few weeks". I thought he was going to carry on: ... and we have had none with the Members on the other side of this House as I promised I would do". That, in fact, Mr Speaker, is the truth. He may have had a lot of consultations with the Government but he has had none at all with the Opposition notwithstanding, Mr Speaker, he has been giving the impression all the time that he would do. The last consultations we have, as he calls it, is when he brings the motion to this House and he expects a debate in the House to represent consultations. Amazingly, Mr Speaker, in the same statement, in paragraph 15, he goes to say: "... if any of us on either side of the House or in any sector of public life in Gibraltar were to place party, political or any other interest above the good of Gibraltar as a community for which we have fought so hard and so long". Mr Speaker, how can he possibly talk about unity when right from the beginning of this tremendous issue for Gibraltar he has been promising consultation and he does not do so? He has certainly done his very best to divide Gibraltar on this issue and now he calls for unity. Furthermore, Mr Speaker, on an issue which I thought was very important, that is to say, to pave the way to convince the Government of the need for giving a very hard look at what they were doing and so prepare the ground by getting support in both Houses of Parliament and in England generally, we see, Mr Speaker, correspondence with the Leader of the Opposition which proves again that he was taking the Opposition up the garden path deliberately, it cannot be otherwise. In his letter of the 10th June, 1983, Mr Speaker, he says: "After discussion we agreed that action on a possible campaign should be deferred and that further thought should be given by all concerned to the steps that might be taken. I continue to hold the view

that the question of a campaign should be deferred until we have come to a conclusion on the commercialisation proposals. We are now quite close to reaching that position". In paragraph 6 of that same letter he said: "Our agreeing in principle that an all party delegation from Gibraltar should make early contact with the British/Gibraltar Group, as in the case of the possible letter-writing campaign, I think it is important to get the timing right and I should like to discuss these two matters with you as events develop over the next two or three weeks". The letter is dated the 10th June. It has got no reference but it is addressed to the Leader of the Opposition. Then there is another one, Mr Speaker, on the 22nd June, 1983. The last paragraph reads: "My visit to London will not now be for the purpose originally intended and I will be in a better position after it, to consider the question about the meeting of all parties mentioned in your letter". The 27th June, Mr Speaker, again the last paragraph: "Subsequently, having regard to certain developments, I thought that the Government in the exercise of its responsibility have a duty to carry out certain functions in London within our competence, before the visit to which I referred took place. Hence the decision to take the first meeting as the opportunity for this purpose. The question of the joint visit is therefore still pending". These arrangements were written down. Why did he act in that manner? Why did he say one thing and do the very opposite, Mr Speaker? Was he trying to mislead the Opposition? Is that the way of bringing about the unity that he is asking for now? Does he expect the Opposition to carry the baby for him now? Mr Speaker, it is an unformed baby unfortunately and whilst we cannot take responsibility for it, if there is an election and, of course, we are elected, we will do our best as you might say, to clear the mess and indeed it is a hell of a mess. Yes, Mr Speaker, perhaps I can do a few things from London and I have done a lot from London. I have approached a lot of Members of Parliament and thanks to that, perhaps, the opposition that Mr Zammit says exists today is even greater, because the Government have failed to carry out the public relations exercise that was necessary to inform the Members of Parliament and the British public of the real situation of Gibraltar. I will deal with that a little later. Of course, let me say, Mr Speaker, that when I am required I am here, when, perhaps, Members of the Government are not. For instance, Mr Speaker

MR SPEAKER:

Order, order, I will not have Members diverging and going off at a tangent because a remark has been made. You are speaking to the Chair and you should address yourself to the point at issue. I say this after you have had your say but let us not prolong this.

HON MAJOR R J PELIZA:

The point is that I have been attacked, Mr Speaker, by an aside and I think I have every right to defend my position. That is to say Mr Speaker, that I have been here for this purpose since the 4th July and I was prepared to stay here for as long as necessary and that has not been the case of Members of the Government.

MR SPEAKER:

No, I will not have this any longer. Will you please go on. Order, will you go on with your contribution.

HON MAJOR R J PELIZA:

I have been provoked, Mr Speaker, and I have got to defend myself. I would not have acted that way otherwise. Well, Mr Speaker, I will try now and follow the debate in answering some of the points raised by Members of the Government. I would like to deal first of all, Mr Speaker, with Mr Featherstone who usually goes back to the times of King Canute that is the fable he usually quotes. I do not know what the relationship is or if he has got anything to do with it but he always seems to produce a book. Then also, I think it is that he is historical because he usually goes back to the times when I was Chief Minister which was far back in 1969. So, just to try and prove that the Government was doing right by keeping secret all the hundreds of reports that they have had, and I think it probably goes into hundreds, he produces one, the Beeching Report. It is not the first time he has done it. He has done it before and of course he will do it again because that is, apparently, the only defence that they have. Why didn't you make public the Beeching Report? I had nothing to do with the Beeching Report, Mr Speaker. It was the Governor's Report and I had nothing to do with it. I did not ask Mr Beeching to come here, that was done by the British Government for the sake of finding out how they could improve productivity, I suppose, in the Dockyard. I had a chance of speaking to him and I did learn a lot from what he said: This is one of the reasons why I was so keen on productivity, which took so long for the Government to realise and, of course, on which they have achieved nothing to this date. Mr Speaker, I think I would suggest that he comes down to live in the 20th century and forget about Canute. Mr Speaker, I can see how gullible he is too. He referred, Mr Speaker to the achievement in Singapore. I was looking through some paper not so long ago, which my Hon Friend here drew attention to, on Singapore and I noticed that this - I think it was to do with the Consultative Economic Committee of the Governor - was one of the papers that was thrown in. It was excellent to toy with the idea of commercialisation, it couldn't have been better thought: 'Look at the achievement in Singapore, you can do the same in Gibraltar'. Mr Speaker, he swallowed it, obviously, hook, line and sinker and he thinks that the situation in Singapore is exactly the same as Gibraltar. Singapore, to start with is not subject to a blockade, we are. I would say that we would have a very good chance of commercialisation if the situation of Gibraltar was not what it was but not even to the extent that the Government think. I believe that we have tremendous assets in that Dockyard which must be worth hundreds of millions of pounds and which obviously we do not want to throw away. What I am saying, Mr Speaker, is that you cannot place the whole future of Gibraltar on a basis of commercialisation which is going to replace the income that is today coming from the Dockyard. That is totally absurd. Even the Financial and Development Secretary probably agrees with me on that one. At least, he did when he made his speech at the time of the budget because it is just not common sense. Here we have, Mr Speaker, Mr Featherstone, the Minister for Public Works, saying what a

wonderful thing Singapore did and we could do the same thing here. I suggest to him that before he thinks about Gibraltar, he had better start doing something in his own department which needs a lot of looking at. I would draw his attention to Cascmates and...

MR SPEAKER:

No you won't.

HON MAJOR R J PELIZA:

The point has been made. I wish I could convince Mr Featherstone, he has been convinced before on the question of divorce, Mr Speaker, So I think he has got an open mind. Therefore if he has an open mind I might still convince him that he might vote against the Government today. I am very optimistic, Mr Speaker, and sometimes it works. His battle cry, I think, was: 'We accept commercialisation, we will rise to the occasion'. Great words, Mr Speaker, almost Churchillian, but I say to him that commercialisation is Gibraltar's Achilles heel now and I say to him that Spain is going to aim its arrow at that heel almost immediately and I say to him that this is already happening because I am going to quote, Mr Speaker, from a newspaper which is already saying so.

MR SPEAKER:

No, it has been quoted from already. We are not going to have a repetition.

HON MAJOR R J PELIZA:

Then, Mr Speaker, I will just give him the date in case he has missed it. It is the Daily Telegraph of the 21st July and if it was all quoted then there is no need for me to quote it. If he refers back to that, Mr Speaker, he will see then that on the other side of the Bay a commercial repair yard is already on its way and also he might have noticed that in that article a report says how ships are being attracted away already to Ceuta and Algeciras from our course. I was surprised, Mr Speaker, the other day when I asked the Minister for Port for statistics on what was happening in Ceuta and Melilla. How much of our shipping was going that way. I have now found it. I am surprised, in fact, that the Government does not keep track of things like that because if we are interested in rising up to the occasion, one of the things we must have is information on our competitors about which we do not seem to care very much. I asked a question the other day to the Minister for Port and he just did not know. I have been able to find it and I will say what the position is with regard to Ceuta and Melilla. In 1978 the number of ships coming to Gibraltar was 1,692. The total tonnage was 17,704,149 and in Ceuta the number of ships was 9,639 and the tonnage was 23,396,000. I won't go all the way down but I think I would like to quote 1981 which shows how the tonnage in Ceuta has increased considerably and ours has stayed more or less the same. These are: in 1981 there were 1,533 ships, a few less than in 1978, and the tonnage was

17,347,000 which is again a few thousand less than in 1978 and in Ceuta it was 9,468 ships and the tonnage rose very considerably from 23,000,000 to 31,327,641. That is the position, Mr Speaker. I could not find the figures for Algeciras.

HON H J ZAMMITT:

If the Hon Member would give way. I think the Hon Member is absolutely right in quoting the figures of 1981 and 1982. I think he will find, in reading the figures of late 1982/1983, that Ceuta has been able to offer ships free water which . . .

MR SPEAKER:

No, order, we are not going to get involved in the reasons why more ships are going to Ceuta. The Hon Major Peliza has been quoting just general figures for the purpose of his argument. We are not going to get involved. With respect, we are not going to get involved. We cannot get involved.

HON MAJOR R J PELIZA:

Mr Speaker, I think that he is just supporting my argument.

MR SPEAKER:

I will allow you to go a little further than this exclusively for the purposes of giving comparative figures and nothing else.

HON MAJOR R J PELIZA:

Mr Speaker, what I am arguing is that here we are going to open a commercial repair yard which is going to be the subject to interference by inducement, competition, fair or foul competition by all means, and it is true, I think, quite rightly so that they are now giving them free water.

HON H J ZAMMITT:

No, Mr Speaker, with respect, Sir, I may have given the wrong impression. I beg your indulgence. I am saying they used to give free water, they are no longer in a position to give free water and ships are coming to Gibraltar because they do not mind paying for water, for something they need and do not mind paying for.

HON MAJOR R J PELIZA:

Well, I am glad to hear that, it means that there will probably be a few more distillers and I would suggest to them to put . . .

MR SPEAKER:

No, with due respect.

HON MAJOR R J PELIZA:

Alright, Mr Speaker, it is a good thing. If we can compete I am all for it but I have my doubts and all I say is, on the figures that I have available that the picture is not a good one for us. If we see the position with regard to shipping both in Ceuta and Algeciras and we realise that on a straightforward thing such as just coming in for bunkering or whatever it is that they do, we are losing ground . . .

MR SPEAKER:

With respect, we have been labouring a point which has been made by every single Member who has spoken and that is repetition.

HON MAJOR R J PELIZA:

I am just trying to answer the point. So Mr Speaker, I think that Mr Featherstone when he again referred to the report on which nothing is known said that, according to the report, the order book would be ready in three or four years. What I understand from that report which I have not read is that it would not be in three or four years but that it would go into five, six, seven and even eight years. If that is the case, Mr Speaker, the picture is an entirely different one. I think that the point should be made, therefore, of the importance of releasing that report so that we know on what judgement the Government has decided to go commercial. With regard to Mr Canepa, Mr Speaker, I always think that he is very clear in the expositions of his argument and usually, Mr Speaker, very logical. I have tremendous respect for that but, if I may say, yesterday he gave me the impression that he was reading a school essay. He is much better when he does not have to use copious notes but I think that the reason why he sounded that way was because he did not have the freedom of argument that he would normally have if he was dealing with an issue on which he was convinced was the right one. I do not believe that he is. All he said was: "Well, this is bad enough but what is the alternative of the Opposition?". I will tell him what the alternative of the Opposition has always been and indeed not just of the Opposition but of all of those who signed the memorandum that was sent to Lord Carrington. Signatures here include people, not only all the politicians, Mr Speaker, who are in this House but the Gibraltar Trades Council, all the parties, the Gibraltar Youth Association, the Gibraltar Chamber of Commerce, the Gibraltar Women's Association, the European Movement, the European Union of Students. There was unity for you, Mr Speaker, and it is this unity that this Government has broken themselves because if we had adhered to this position which we adopted then, which was on the 17th March, 1982, this unity would have been preserved to this day and Gibraltar would have an alternative which is not just the Opposition's but of the whole of Gibraltar. I am going to read, Mr Speaker, the paragraph so that . . .

MR SPEAKER:

You have read it, with due respect.

HON MAJOR R J PELIZA:

If I have read it, Mr Speaker, I would suggest that they refer to it. It is paragraph 8, Mr Speaker, of Lord Carrington's memorandum. So, if I have read it, I do not want to labour the point. Mr Speaker, I do not want to go all over it again but if Mr Canepa thinks that there are people in the House who think the offer was very generous I will just repeat again that it is because they are not informed. They just do not know what the whole thing is about.

MR SPEAKER:

You mean people in Gibraltar, not in the House. Do you mean people in the House or people in Gibraltar?

HON MAJOR R J PELIZA:

People in the House, Mr Speaker, in the House of Commons. In fact, Mr Speaker, I would like to read from another paper which I do not think has been read and that is yesterday's Guardian. It is the editorial, and I would like to refer, Mr Speaker, to only the first two paragraphs because the others are to do with other things. These two paragraphs are directly connected with the Dockyard and also with the question of how much money we are getting. It says: "Yesterday's Government announcement of the final arrangement for winding up Naval Dockyard facilities at Gibraltar raises the whole complex of disturbing issues which do not appear to have been fought through in London. We shall limit ourselves to mentioning five of them". I will not mention all five because two of them have nothing to do with it. The editorial continues: "The £28m conscience money to compensate for the loss of at least 1,000 jobs will come from the overseas aid budget. As Britain devotes just 1.38% of GNP (compared with the United Nations target of 0.7%) to what is meant to be aid to world poor, this seems to be a double shabby expedient. It is the Defence Ministry that will save £10m a year on the deal and it is their bloated budget that should have been cut. The pious hope that the Dockyard facilities will be able to survive on a commercial basis already undermined by a world slump in shipping may have been extinguished altogether by the Spanish decision to press ahead with the development of the neighbouring port of Algeciras. Then, there is the NATO angle to consider. Gibraltar offered the Alliance the only specialist naval repair facility in the western Mediterranean, particularly important for nuclear submarines. A port reduced to scraping a living from passing trade, mercantile and naval, cannot be expected to set aside extensive facilities for unpredictable emergencies, as the US Navy was among the first to appreciate", that, Mr Speaker, is the Guardian.

MR SPEAKER:

I must make a remark on quotations from newspapers. I am afraid that the opinions of newspapers are not a matter which should be taken into consideration in the House of Assembly. It can be used as an argument for the purposes of furthering contributions. I say this after we have had quotations from about six different newspapers and I must not allow that to happen indiscriminately. I have said this after you have made your contribution.

HON MAJOR R J PELIZA:

I was trying to make a point, Mr Speaker, of the importance to keep the media, the Members of Parliament, the public at large in England informed of what the true situation of Gibraltar is. Otherwise, Mr Speaker, we get that sort of thing happening and people might just not know the true position of Gibraltar. Mr Speaker, I think that, if anything, the Government, because it was unable to adhere to the policy that was agreed upon by all parties, finished up by going to Britain almost considering that they have lost the battle. This is why, in my view, Mr Speaker, when they came to the crunch of the matter, when they had to decide, good old Shakespeare's position, to be or not to be, I think they decided not to be. This is the position, Mr Speaker, that Gibraltar finds itself in now. We find that they felt that they had either to get commercialisation or be doomed. As far, and this is why again I will stress the importance of letting people know, as the public in England and Members of Parliament are concerned, we are getting a good deal. They did not know that commercialisation, as any reasonable person making an assessment of the situation knows, is not a replacement of the Dockyard although we all know that. They do not know that the other alternative was budgetary aid. That, apparently, was the situation and not what we asked for in the memorandum. That, Mr Speaker, is a terrible situation because to me it is virtual economic disengagement of Britain from Gibraltar. The full commitment of economic support to Gibraltar has dwindled considerably by their pulling out of the Dockyard and then passing the whole responsibility to the Government of Gibraltar. This is what is happening, Mr Speaker, and we have got to realise it. It is not just the jobs of the people in the Dockyard. We hear from the Minister who is also responsible for Labour - he has not spoken yet but I think we have heard something already - how we are going to try and adjust the situation. I do not think they realise that if we do not get the income from outside that we used to get from the Dockyard there will be less money within our economic area to be able to carry on supporting the kind of wages that we pay in our Government. Yesterday, Mr Speaker, and I will not quote, I read in the Chronicle how civil servants in Holland are going to have to reduce their income by 20%. Do we honestly believe that we shall be able to carry on with having parity inside the Government when we do not have parity in the Dockyard? If that is so, it is really a daydream and therefore all the civil servants, those who work for GEC, the Police, everybody in Gibraltar must realise that unless the workforce in the Dockyard earns the money that they used to earn before, all their wages are going to start going down and all the social services are going to suffer. Let there be no question about that. I do not think that this has got

home yet. The penny has not dropped, Mr Speaker, but the sooner it does, the better because then they will realise what we are talking about in this House. They will realise why we have said it was necessary to go united and what terrible blunder the Government has made by breaking that unity that was so well held together at the beginning of this situation. Mr Canepa said: "We have reached the crossroads". Indeed we have. We have reached the crossroads and God knows the way that the new road is going to take us. It is very, very difficult for us in the state that we are in, Mr Speaker, to believe that with the package that we have got, with a few more little bits of land on the sea front and a little bit of land at Rosia Bay the future is now shining for Gibraltar. I would ask the Minister for Development what progress has been made recently on development here. Why, when we get this land, is the situation going to be totally different? Why? I understand, Mr Speaker, in fact, that there is a company, Wimpy, who wants to develop Cornwall's Parade and who wants to develop the eastern side of the Rock but they are getting no joy from the Minister's Department. I do not know if that is true.

HON A J CANEPA:

Mr Speaker, it is shattering to hear a thing like this here in the House because I have not the slightest indication that Wimpy have had an interest in the Command Education Centre. To me it is extraordinary how, if up until the 14th July I was available during normal office hours, people are unable to approach me. This is incredible that someone would go to the Surveyor and Planning Secretary's Department, not get any joy out of that department and not come and tell me. Mr Speaker, I am sure that it is not the experience which other Hon Members in this House who know anything about development have. It cannot be.

HON MAJOR R J PELIZA:

Mr Speaker, all I will say is that I will try and get back to the person who said that to me and tell him to approach the Minister.

MR SPEAKER:

In fairness, and I must say this again, in fairness to the House, if allegations and accusations are going to be made they should be made in the full knowledge that they can be substantiated and that is the principle on which allegations are made in this House.

HON A J CANEPA:

Mr Speaker, if I may, I think that communications is the essence of things in life, Mr Speaker. I would invite the Hon Member, if he ever gets any inkling of that and since he writes so many letters to Members of Parliament to write me a letter and I will deal with the matter immediately. I assure him that he would be doing Gibraltar a service if he does that.

HON MAJOR R J PELIZA:

I take the offer, Mr Speaker.

MR SPEAKER:

We will leave matters there now.

HON MAJOR R J PELIZA:

Yes, Mr Speaker. Mr Speaker, I say that the best way of making development here progress rapidly is to ensure that those who have already developed, those who have already put the money in in our area, particularly hotels, and I do not see anyone building more hotels, are able to pay their bills. I believe that those

MR SPEAKER:

No, with due respect, you can talk about development as an alternative to the Dockyard but not how development is going to progress.

HON MAJOR R J PELIZA:

Well, tourism was brought in, Mr Speaker, if I may say so, in the statement of the Chief Minister as a thing of the future and therefore I have got to refer to it.

MR SPEAKER:

You can refer to development as one of the alternatives to the Dockyard but not how development is going to progress and how it is going to be implemented.

HON MAJOR R J PELIZA:

Mr Speaker, but I cannot see how one can talk about development without saying how it is going to happen.

MR SPEAKER:

As a general statement you are entitled to do that.

HON MAJOR R J PELIZA:

This is what I am trying to find out because I do not see, Mr Speaker, honestly, how you can expect anyone to build another hotel in Gibraltar if those who are there now are on the verge of closing down? It is again kidding ourselves if we believe that that is going to happen because it is not going to happen. Therefore, even if we have the land, Mr Speaker, that we start

putting our house in order. With this, Mr Speaker, I come to the Minister for Tourism who unfortunately is not here at this very moment but he is probably listening from outside. He said that I, in the past, have said - a very memorable phrase apparently, they seem to remember what I say, which is good - that you must not bite the hand that feeds you. Yes, Mr Speaker, I still stand by that. In the context that I made it it was that we should not quarrel with the people representing Her Majesty's Government in Gibraltar and I still say that. We owe everything that we are to the fact that Britain is here but that does not mean to say that this means servility in any manner or form, any more than it is, Mr Speaker. The fact that I am now quarrelling with the Government here does not mean to say that I am less Gibraltarian, of course not. If I quarrel with the British Government, it does not mean that I am going to be less British, because I am not. I am going to remain British, whatever happens in Gibraltar because I think we are going to muddle through. I do not believe that we are going to be extinguished either by the Spaniards or by the closure of the Dockyard or whatever may happen here. We are going to get through, the point is how are we going to get through? That is the point that I am trying to make. Mr Speaker, therefore, when I made that remark it had nothing to do with the other. He also said, Mr Speaker, that they do not owe us a living in perpetuity, but we don't want that either. I think the Chief Minister knows perfectly well, better than I, that Gibraltar used to pay its way. We never used to ask for a penny from anybody else. I am sure that he would like to see it that way again and so would I and so would everybody. The only reason that we are in the position that we are today is because Britain did not retaliate. By not retaliating it gave Spain a free hand as to their restrictions. This is why we are in this position. It has nothing to do, if I may remind the Minister now that he has come in, with wanting to be looked after in perpetuity. That is not the point. What happens is that the British Government, and we seem to forget this, rather than retaliate said: "We will support and sustain". I think that we are absolutely entitled to ask for that, otherwise they should have said at the beginning: "Gibraltar is untenable we cannot hold the position and we will disperse". We have got to look at reality in the face. It is happening to Hong Kong today and no one for one moment believes that that situation can be saved. It would be absurd to believe that that situation can be saved but in the best judgement of Her Majesty's Government it was decided in 1969 when the frontier was closed finally that it was possible to hold Gibraltar, not by retaliating but by supporting and sustaining Gibraltar, that pledge still stands. That is the sort of information that the Members of Parliament must get and then I think that they would see the situation as being completely different. Mr Speaker, it is not just a question, as the Minister said, of showing confidence in ourselves. We must show confidence in ourselves but above all we have got to make sure that a bigger power which is surrounding us and which can obviously strangle us if they want to, there is no question about it, does not get away with it. As far as we are concerned, I would draw the attention to the Minister that he should try very hard to get that tourism right because he has failed totally up to now. It is not because we have not been prodding him to get things done. Mr Speaker, I see very little prospect of any change in tourism for as long as that Minister is there because if he has not been able to do it in the last four years, or was it eight years or so, I doubt whether he has capacity there to be able to change.

MR SPEAKER:

No, we are not going to turn this into a vote of confidence on the Minister for Tourism.

HON MAJOR R J PELIZA:

I am finishing. Lastly, Mr Speaker, I would like to refer to my Hon Friend Mr Haynes who is not here and who I thought made an excellent contribution yesterday. I think I would like to finish up with what he said. He said that the Government had brought no argument to this House to prove that what they were trying to sell to Gibraltar was valid, they have not. They have not produced what figures, they have not produced facts, they have produced nothing. All they have produced is a lot of secret reports which they will not allow to be given out to the public and which immediately become very suspect because, if those reports were as good as they obviously think they are, then, Mr Speaker, this debate would not have taken place. We would all be singing and dancing in the streets of Gibraltar as to the wonderful future we were going to have with commercialisation.

HON DR R G VALARINO:

Mr Speaker, Sir, I rise to speak on the motion moved by the Hon the Chief Minister. Let us first consider the facts: (1) HMG has made a firm decision to close the Naval Dockyard, no matter what ideas the Hon Mr Gerald Restano has on this subject; (2) Closure of the Naval Dockyard with no replacement activity would lead to a collapse of the economy with in an extremely short time, probably not more than a year, unemployment would rise to unprecedented heights and the consolidated fund balance would suffer greatly as a direct result of the closure.

HON J BOSSANO:

If the Hon Member will give way. If that were to happen the British Government would be breaking its word given in the White Paper of June, 1981. Does he think that the British Government, in which this administration has so much faith, is capable of that? I do but does the Hon Member share my view?

HON DR R G VALARINO:

Mr Speaker, I do not particularly share the Member's view but the fact remains that if there is a closure of the Dockyard and there is no replacement activity, unemployment would increase and that is as simple as two and two makes four.

HON J BOSSANO:

Mr Speaker, that can only happen if the British Government is prepared to break the commitment it gave in the White Paper of June, 1981, Command 8288. I have been saying that the British

Government is quite capable of this, particularly Mrs Thatcher's Government, because they are always behaving like that. Does the Hon Member share my view?

HON DR R G VALARINO:

Mr Speaker, I repeat the obvious thing and I am afraid that, at this early stage in my speech, I am not prepared to give way any more to the Hon Member. But as I said, two and two makes four remains. I will now go on to the third point. (3) The economy is already weak from the continuing haemorrhage caused by a partially open frontier and an acute shortage of land available and suitable for development purposes with tourism in mind. The picture is bleak and the only solution possible is a diversification of the economy so as not to rely on the long-standing Dockyard economy. The only way to continue to support our economy given HMG's firm and final decision to close the Naval Dockyard, is by commercialisation together with the development of those prime areas offered to us by Her Majesty's Government. It is only with a stable economy that the Gibraltar Government will be able to borrow funds for its other needs, principally housing. Commercialisation offers a potential major source of employment and income. I have no doubt of the long term viability of the project and consultants agree that this will be the case. As mentioned by my Hon Colleague, Mr Canepa, who covered the subject comprehensively, this represents a desirable change from an artificial economy to a natural economy. However, the future of a commercial ship repair yard does not solely rely on the availability of work, the initial years of which will be supported by help from HMG. Here is an opportunity to accept a challenge and to achieve success. Gibraltar cannot lose this opportunity of establishing a new "dockyard" facility which could form the basis for a diversified economy. In fact, in answer to a point raised by the Hon Major Peliza, it is my opinion that Her Majesty's Government, having invested capital in the Dockyard project with a view to developing the Gibraltar economy and provided that the ship repair company has done all in its power, both management and the workforce, to ensure success of the venture, it is unlikely that Her Majesty's Government would stand by and allow the venture to fail because of future depressions in the industry or because of a deliberate attempt by our neighbours to sabotage the development of the facility by unfair subsidised competition. Here, let me put the record straight. The facilities offered nearby in Spain, and I believe mentioned by the Hon Mr Gerald Restano, have to do with ship building and not ship repairing. The Opposition feel aggrieved and frustrated that, in their opinion, no "consultation" with them has taken place and with the aid of the Gibraltar lobby they claim they would have been able to obtain a better package. This is totally without any foundation and let me point out that the present large conservative majority in the House of Commons has practically rendered the Gibraltar lobby impotent. The best package has been obtained from Her Majesty's Government and Gibraltar must be thankful to the officials who were closely involved in the negotiations with HMG and to Sir Joshua Hassan in particular. With a commercial ship repair yard in operation the additional spin-offs and extra revenue to Government will be large. Let me suggest one area in which I have some knowledge - telecommunications. A modern yard has to have a high degree of

sophistication in their communications system. They need an excellent international telephone network, telex, data, PABX's and other related telecommunications facilities. They could well need computerisation within the yard. All these can provide added revenue to Government. The motion, as it stands, does not mention lands or the great steps put forward by the Government in respect to this vital aspect of our evolution. The handing over of very valuable land areas and the probable release of other sites have to be considered as part of a package involving also the transfer of Dockyard land and not in isolation. The development of such areas of land forms part of the diversification of our economy and will mean added work for our labour force. Nobody can guarantee that the future will be easy but it is up to us to make sure that Gibraltar remains economically viable, since if Gibraltar is economically viable then it is also politically viable. In the long term, constitutional reform will be necessary. In ending this short speech let me once again say that what HMG has offered has been something which has not been offered to any other concern either in Britain itself or overseas. All praise again must be given to those involved in these difficult negotiations with HMG. Mr Speaker, Sir, I have no hesitation in supporting and welcoming this motion. Thank you, Sir.

HON MAJOR F J DELLIPIANI:

Mr Speaker, Henry VIII said to each of his wives: "I won't keep you long". I have had to make a tactical withdrawal because the lady did not make a U-turn. I think she burnt slightly but the U-turn she did not make and I was convinced that the lady would not make a U-turn when she got such a huge majority of 144 or 147 votes. I think the comparison of the British Nationality Bill and the question of the attempt to stop the closure of the Dockyard cannot be put in the same sphere. They are two totally different aspects under two totally different conditions. In the first place, the United Kingdom Government had a majority of less than 40 before the elections. In the second place, the Nationality Bill did not talk about money and losses of workload to shipyards in Her Majesty's Dockyard.

HON MAJOR R J PELIZA:

Will the Hon Minister give way. If that was the view of the Government why did they keep us going along the garden path right to the very end? They should have said so: "We cannot do it, we are not interested".

HON MAJOR F. J DELLIPIANI:

Mr Speaker, I have not mentioned the Government at all. I said I have made a tactical withdrawal. I realise that whatever we did, we would not change Mrs Thatcher's mind and to me it is a miracle that we have got a year's extension because she is a tough cookie. Let me say one thing, the question of work practices has been mentioned both in this House of Assembly and in the Commons and in the House of Lords. I am referred to some-

times by my colleagues as the reactionary Major but there is still a bit of socialism left in me and I hold the right to strike by trade unions very dearly because I have been through that. That does not mean that there could not be agreement as to which way to strike. There could be agreement that strikes could be by ballots. It does not mean a blank cheque for the unions but the limitation of the right to strike, in any work practice, is abhorrent to me. I think there is an attraction for me after the little bit of socialism that is still left in me, in that this is called the Gibraltar Ship Repair Yard and it is owned by the Gibraltar Government. There could be, and I do not see why not, as part of the negotiations to create work practices which are conducive to better productivity, an element of worker participation in profits, in the sharing of profits, if the commercial yard is a success. I throw that as a basis for any agreement that can be made between the unions and the management of the ship repair yard.

HON J BOSSANO;

If the Hon Member will give way. I think he is making a very interesting contribution, let me say, in introducing into the debate, quite frankly, an element that has been totally missing up till now. However, I think we come back to the essence, which is that the potential that may or may not emerge if the unions or the workforce decide to get involved in attempting to make a ship repair yard work, is and must be based on the information that is available to us as to what are the chances of its success. Nothing has been said so far in the House, other than that the British Government would not change its mind, to indicate that the chances of success now are any greater than they were in 1982 or in 1981 when it was studied previously. It is no good saying to the unions that they may be able to have an agreement giving the workers a share of all the profits if all the indications are that there are not going to be any profits. Would they share the losses?

HON MAJOR F J DELLIPIANI:

I do not think we will talk about the sharing of profits or sharing of subsidies. I just introduced that element to suggest that it could be part of the negotiations and the little socialism that is still left in me would like that; I mean, we are going to have a nationalised industry. The other point I would like to emphasise is the question of land and, in particular, the one which has been highlighted in the House, the Command Education Centre. The tendering procedure for the Command Education Centre was so rigid and tight, so inflexible, that I knew it would not attract anybody and I hope that the Development and Planning Commission have had a second thought on the matter because it is still a valuable piece of land. However, it did not make commercial sense. I think the Hon Mr Willie Scott mentioned that one of the interested local operators has been left out. From the studies that I have come across, the local operator was left out because their presentation provided even less job opportunities than the Appledore presentation.

HON W T SCOTT:

If the Hon Member will give way. What I mentioned was not the preferred operator. What I mentioned was a developer that would make use of part of the land outside the commercial dockyard element but still using part of the land. Nothing at all to do with the Dockyard; I spelt it out quite clearly, it was the company called Solarex not an other tenderer for the commercial yard.

MR SPEAKER:

I think what the Hon Member has said, insofar as land is concerned, was on the effect of the commercialisation of the Dockyard on existing businesses.

HON MAJOR F J DELLIPIANI:

What I was trying to say, Mr Speaker, is that the land that has become available now is the kind of land which an entrepreneur like the Bland Family would jump at it. It is really a prime piece of land. We have always been wanting the sea and it will become available. Whatever we might decide in this House, the fact remains that if the Dockyard closes and there is nothing else to offer, we will be in far greater trouble than having a commercial ship yard. I think everybody knows that. This is why I made my tactical withdrawal because if I make a stand and we get nothing, what is the use of making a stand? At least we made a stand and we have got something.

HON J BOSSANO:

Will the Hon Member give way? I have got a great deal of respect for the honesty with which he often speaks in the House because I think he does that without really caring whether that is used against him politically or is used to embarrass him or to accuse him of breaking with party policies and I would not attempt to do anything like that. I think that he is speaking honestly but I would ask him whether he does not see that, in fact, by making a tactical withdrawal on the basis that this is better than nothing and not because he has been persuaded that it is going to succeed, he is taking the responsibility for failure upon himself? I think after me, he has been the Member who has most strongly suggested that commercialisation would not succeed. If he has not been persuaded that he was mistaken in his assessment, if he has simply been persuaded that it is either that or nothing, then can he see that now he is taking the responsibility for the events of collapse of commercialisation, whereas if there was nothing now it would be the British Government's responsibility for welching on their promise of June, 1981? He is making himself responsible for something which he should not carry.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I have been persuaded to go along with the package deal because of the package element of it, because of the extended time element. If you look at it, we are going to have a year of

naval dockyard work and three years where we are guaranteed almost 50%. So, the extension is there to see whether we can have that up turn in the shipping repair business. At the moment the shipping repair business is going through a bit of recession but we have a period of between a year and four years where we can see how the ship repair business moves on. The only way we are going to attract other shipping firms to come to Gibraltar is by how successful we are in tackling the RFA refits which will be the basis of our guaranteed workload over a period of three years. However, we have to add the land element to that. I know that I have always been of the opinion that we should have had the land in any case, but we have been having a very difficult time over the past forty years to get it. It has taken this to get it from them but at least we are getting it. I agree with the sentiments of the Hon Mr Bossano because I feel as strongly as he does and so does the Chief Minister. That is the only way we have got it and we have got it and I rejoice at the fact that we have taken this valuable piece of land which has been used by the privileged few in Gibraltar. I have never claimed, and I will never claim, that a commercial Dockyard, however successful it can become, can be the mainstay of the economy of Gibraltar because that type of business is a cyclical business, it is up and down and if it was only that I would oppose this motion. However, I am taking into account the development aspect of the land that is going to be released by the Ministry of Defence. I am persuaded by that. I know that there will be an immediate impact in the industry which is suffering most at the moment which is the building industry. It will have an immediate impact. I will emphasize the Hon Mr Stewart's statement that the British Government will still look at ways and means to help us economically if a commercial Dockyard does not prove the success that we all hope it will be. The Chief Minister, in his speech, mentioned Britain's commitment to Gibraltar had been shown in the package that has been presented to us. I go along with that but I am still worried about one aspect which, in one way, has to do with the economy of Gibraltar and employment in Gibraltar. Firstly, I am not happy with the way the motion on localisation that was brought by the Hon Mr Bossano here, is going. We must continue to fight for localisation and that must be a battle that concerns the whole of Gibraltar because there are still too many jobs for the boys and there is still mistrust of the loyalty of Gibraltarians. That is why there are jobs for the boys. The other aspect that I am not happy at all with, and I generally believe that either it was deliberate or an honest opinion which was totally misleading the statement that was given some time ago by Mr Stanley on the defences of Gibraltar. The defences of Gibraltar are extremely weak, no matter whether the Gibraltar Regiment has been equipped with blowpipes and light guns. There is not one weapon in Gibraltar that does not depend on eyeballs. There is nothing which is radar controlled, nothing which has infra red TV imaging, nothing which has radar tracking, absolutely nothing. Our air defences, our early warning systems are weak and what I say to the British Government is: "If you have not got the manpower to provide the necessary defence that Gibraltar needs, we can provide the manpower if you give us the equipment". There is no doubt in my mind that Gibraltar's defences are extremely weak. I will gauge the barometer of Britain's continued interest in the economy and the defence of Gibraltar by what

she does with her defences. Let us not forget that she has already withdrawn, some time ago, the company that we had at the frontier and she also withdrew the guardship. We have the guardship back but if you see the guardship slipping away and not coming back, start getting worried. In conclusion, Mr Speaker, I support the motion because of the package, because of the land element in it, I would not support the motion if we had only got the commercialisation of the Dockyard. I urge Hon Members to realise, as I realised, that the ultimate success of the Dockyard depends on two things, on the relationship that management and the workforce can establish and on the influence that the operators have in being able to attract shipping to Gibraltar. If they have not got the worldwide agencies to attract shipping to Gibraltar then no matter how well the trade unions behave, no matter what work practices they bring in, if we cannot attract the shipping to come to Gibraltar because of pressures from Spain etc, then we will not succeed. I commend the motion to this House in the spirit that I know and I am convinced that it is the best that we have been able to do.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, at the outset I should make it quite clear that I shall not be voting on this motion as an official. However, I think it would be useful if I spoke on a few facts and points that have been raised and try and clarify on facts. First of all though, I would like to thank the Hon Minister for Economic Development and Trade for the kind words which he said about officials who have been engaged in discussions and quite hard fought negotiations on this issue over the last two years. I think I speak for all of them when I say that we have merely done our job and what we have done we have done for Gibraltar. We require no thanks for that. What have we got over the past two years, since it first seemed likely that the Dockyard was going to close? After numerous studies we have, in fact, got the £28m which Mr Loddo suggested was available two years ago; it wasn't. It was not available until late last year when HMG accepted that, in its view, a commercial Dockyard could be viable. Up to that time there was a danger that we would not get any support for a commercial dockyard from HMG and that we would be pushed into grants in aid. Some people may consider that that would have been a better choice, that is a matter of opinion but all I am saying is . . .

HON J BOSSANO:

Will the Hon Member give way? Is he saying, in fact, that until December last year Her Majesty's Government was not convinced that a commercial dockyard was viable and therefore would not provide the money? Surely, then it must follow that in January of this year, if they had not provided the money - the question of consideration being given to alternative ways of fulfilling the Government's obligation to support the economy of Gibraltar - having investigated the alternative they would have come to the conclusion that there wasn't an alternative and that therefore they could not just say: "Right, we are still closing the Dockyard", without, in fact, having to face the situation where

clearly they were breaking their word in the White Paper. That political consideration, surely, the Hon Member must consider to be an overriding factor in any assessment which is not a question of facts and figures.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

What I am saying, Mr Speaker, is that the danger would have been that HMG would have considered that it was fulfilling its obligation to support, not sustain - the word sustain was not used in the Command White Paper of June, 1981 - to support Gibraltar by granting aid. That is what I am saying and that is the danger. So that there has been rather more progress over the two year period than the Hon Mr Loddoo would have suggested. Let us not look at what is downstream but at what is upstream. How are we going to use the one year additional period that we have negotiated? I think that this has got to be used to ensure that on the closure of the Naval Dockyard and the start of the Commercial Dockyard, there must be minimum unemployment and maximum opportunity for the viability of a commercial Dockyard. I think that this year period can be used to that end in re-training schemes and getting the Dockyard ready so that on vesting day we will have a fully equipped commercial yard. As to further consultancies and reviews during that period, I have my doubts. I have had a surfeit of consultancies, as I think we all have over these past two years and I am tempted to equate, with respect, consultants with economists. If you took 100 of them and laid them head to tail they would never reach a conclusion. They always take a view and the views that 100 consultants take can come to 300. I think that I will just step slightly out of my role as an official here but I do so with the agreement of the Hon and Learned Chief Minister. I think that one of the important things that have got to be done, again I say it is a personal view, is that the workforce who are going to be affected by the changes proposed must have a full presentation of commercialisation proposals such as that which was given to the House by Appledore and by the consultants. It should be given by Appledore and by the consultants and the workforce themselves should have an opportunity to examine the proposals, to question them and to quiz the consultants and also Appledore. I think that if the Government can do anything to bridge the arrangements for this meeting and presentation between Appledore, the union and their respective members, this should be done.

HON MAJOR R J PELIZA:

Will the Hon Member give way? Would it also not be fair to give them a presentation of the reports from Casey? I think it is only fair that they should see both sides of the coin.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I said the consultants, Mr Speaker, and consultants includes Casey. The state of the ship repair industry is bad, we all know, but I think there are one or two gleams of light at the end of a very long tunnel. First of all, I think it is interesting that

the Japanese are pumping £11m into a new ship repair facility in Japan. I know the Japanese too well.

HON J BOSSANO:

That is bad news.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, it is a different market, Mr Speaker. I know the Japanese well and I am jolly sure they wouldn't be putting £11m if they did not think they were going to make a profit out of it.

HON J BOSSANO:

It is bad news for us, Mr Speaker, that makes our chances even less. If the Japanese are after the British

MR SPEAKER:

Order.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The other is that - I also have been doing a bit of research to see how companies are doing - whilst in Portugal, Lisnave itself, their main yard is in terrible trouble; their loss in 1982 was about 74 million dollars and their yard is now closed with a workforce sit-in which will probably take some three years to sort out, their smaller yard which accounts for about 15% to 20% of turnover has been in profit right through since 1979. On the latest figures that I have managed to get which is for 1981, they made a profit of 5.9 million dollars. Neorion of whom we have heard much, have had three good years: - £0.4m, £5.26m and in 1982, break even. The Gottaverten yard, a big Swedish group, having made losses in 1979 and 1980, have been on break-even in profit in 1981/82. British ship repair at Falmouth who have a force of 1,400 employees and were in a loss-making until until 1979 when they had a major restructuring, have since then made a profit of £0.3m, £1m, £1m and this year, £1.1m.

HON J BOSSANO:

Did the Hon Member say what Mr Casey had to say about Falmouth?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Vospers in Southampton have lost consistently, 1980/82, and this year have made a very small profit. Tyne have been in loss throughout. The Verolme Botlek at Rotterdam have made profits in 1980, 1981 and 1982. The Vlaardingen Oost in Rotterdam have made profits in 1981, 1982. Frederikshaven in Denmark made pro-

fits in 1979, 1980 and 1982. Aalborg Vaerft in Denmark are also in profit. I am not saying that everyone is in profit, I am merely saying that some people do make a profit.

HON MAJOR R J FELIZA:

Will the Hon Member give way? Why then did Mr Lamont the Minister for Industry say that Britain should pull out of ship repair altogether and so does the corporation?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that it was during the presentation to the House by Appledore that an explanation on the disarray in which British ship repair finds itself, was given. That is that there is a change in the traditional pattern of shipping which no longer goes so much to the northern yards. I think this was the point that was made.

HON J BOSSANO:

Where is Denmark, Mr Speaker, in the South?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We are talking about England.

HON J BOSSANO:

I know, Mr Speaker, but if the Hon Member will give way. He has just told us that Denmark is making profits. The Hon Member asked him whether he can explain why British Ship Builders is pulling out of ship repairing and he says it is because Britain is in the north. Well, I do not know where he thinks Denmark is.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It was a change of shipping patterns from the north of England to other ports which have caused it and this was shown by maps which were presented in the presentation. Mention was made of the additional document which Coopers and Lybrand were preparing and the question was asked whether, in that, there was any reference to Spanish blight and the effect of Spanish blight. We have only just received that document, no additional reference on Spanish blight is made. The document merely sets out how the financial analysis was arrived at and gives examples of working. I think that, on Crinavis which has been mentioned, the article in the Daily Telegraph was to an extent slightly misleading. Crinavis was constructed as a ship building yard to build ships to carry liquid gas. I know this because the Dutch company who built it and who were going to run it at one time, came and discussed with us when we were looking at potential operators. Not that they wanted to operate a ship repair yard here but were

enquiring about the repair of ships that might be constructed there. It is quite true that the Swedish yard which has taken it over is a ship repair company with a very formidable reputation but my understanding is that to convert Crinavis from a ship building yard to a ship repair yard would require very heavy expenditure on changes to their dry docks and their machinery. Government participation in the projects has been touched on. I think that this is a matter which will have to be more fully explored when the Government brings to the House a Bill on the Gibraltar Ship Repair company which we hope will be in October this year. However, I think that one thing that we have to make clear is that at the start of our negotiations with HMG they asked us how much we in Gibraltar were going to put in to the new yard to match HMG's contribution. Our answer was short, sharp and consisted of four letters, I won't tell you what it was. The Spanish competition

HON P J ISOLA:

Can one infer from that that Government has no confidence in the project either?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, the Government considered that if HMG was going to close the Naval Dockyard they could foot the bill, we were not going to. Spanish blight was not mentioned in many of the consultants reports but, in discussions with the consultants, we have raised this consistently because it is something which has bothered the Government. It has been pointed out to us that if the Spanish Government were to subsidise their yards in order to take work away from Gibraltar, they are also going to take work away from the rest of the countries in the Mediterranean who would be competing for that trade and that this could not be kept up indefinitely. Secondly, that the amount of work which they could steer away from Gibraltar would be limited and not terribly significant in the context of the whole market. This was the view of all the consultants. The Hon Mr Scott asked where he could find the £11m for the Ministry of Defence programme. It is in fact at table 9(4) of the proposed commercial ship repair operation prepared by Appledore where the figures are shown: - 1984 - £4m; 1985 - £4m and 1986 - £3m. Diversification: - from the very start of this project the officials working on it have been conscious that a cyclical industry such as a commercial yard could not fill the gap in the economy which the closure of the Naval Dockyard will cause. With the Naval Dockyard you have got a steady state of work, of the flow of funds both into Government revenue and for the gross national product. With a commercial yard you are going to have cyclical swings. It is extremely difficult to say when they will arise, how deep the troughs will be or how high the peaks will be. We have been conscious that with so small a tax base and a fragile economy it would be extremely difficult for Gibraltar to cope with the troughs in that cyclical pattern. It is for that reason that we have: (a) sought wider diversification and (b) been insistent that we should get from HMG some form of safety net so that if we run into a very difficult patch, if not through the fault of

management or the workforce but because of a deep recession in this industry, that we could look to them for assistance. We have got that undertaking. I won't repeat it because the Chief Minister has mentioned it and so have other Ministers. On the wider diversification, we have been and are still looking for industrial type of work which can come into Gibraltar, in order to widen and diversify the economy. What we want are industries or activities which are not open to Spanish blight. We are at the moment negotiating with two companies who have an interest here and whose work must be complementary to a commercial dockyard. The Dockyard could do some of the heavy work for these companies. We are conscious of this and we have got to press ahead with it. Mr Speaker, I am grateful.

MR SPEAKER:

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

HON CHIEF MINISTER:

Thank you, Mr Speaker. I think we ought to be grateful to the Financial and Development Secretary for those facts which have put matters in a clearer light than has hitherto been possible. I would like to deal with a number of matters and what has been said by Members opposite. In the first place I would like to refer to Mr Bossano's original contribution which, unlike his logical approach in many cases, was a bit of an outburst, perhaps because he had a full gallery or he wanted to go away early for something else. I am not going to deal with Mr Bossano's intervention as a trade unionist because as he says very clearly, despite his great involvement in trade unionism he is not here in that capacity. Nor does, in my understanding, the fact that he opposes it politically necessarily mean that it commits the whole Trade Union Movement to oppose it. As he and other trade unionists have always said, before they reject anything they will see what is on the table and I hope that they will look at what is on the table. I am sure that they will look at the different problems on the table. However, in his political role he takes a view which I think is dangerous because he talks about the land possibly being viable but being ours anyhow. Well, he has gone a long way from the virtual approach to the independence of Gibraltar, which I am sure he would like if it were possible, and which he advocates now to the integration ticket on which he was brought to Gibraltar in 1972 to fight the Government. He has gone a long way from there. From there he broke away from the Integration With Britain Party because he was a realist and he found that the British Government would not accept integration. He was a realist, he thought that he was fighting a losing battle and he changed his mind and went it alone for a while. Then he attempted, under the GDM ticket, to have enough candidates to form a Government to try and identify what the future of Gibraltar was. I think he did not succeed very much in that, either in the elections or even subsequently in the way which other people took their positions. When he then formed the Gibraltar Socialist Labour Party and stood again with other candidates in order to try and get a

majority to form a Government, his personal success was unquestioned but, regretfully for him, his party did not do very well.

HON MAJOR R J PELIZA:

Mr Speaker, on a point of order.

HON CHIEF MINISTER:

I am not going to give way.

HON MAJOR R J PELIZA:

I would like to speak on a point of order, Chief Minister.

MR SPEAKER:

With respect, will you please tell me what the point of order is?

HON MAJOR R J PELIZA:

Yes of course. Mr Speaker, I think the Chief Minister is introducing a subject that has not been discussed in the House, how the Hon Member, my friend here, started politics in Gibraltar, and it has nothing to do with the business of the day at all.

MR SPEAKER:

I completely and utterly disagree. The Hon Mr Bossano has made a statement insofar as the land issue is concerned, he has accepted the fact that the land belongs to us. The Chief Minister is saying that he has made a change of stance.

HON J BOSSANO:

He is analysing my whole political career but if he thinks that it is going to persuade anybody to accept commercialisation - I am patiently awaiting to see the connection - by all means carry on.

HON CHIEF MINISTER:

I am going on to the connection.

MR SPEAKER:

I am ruling on a point of order and nothing else.

HON CHIEF MINISTER:

Normally, I do not speak unnecessarily as perhaps some other Members do and what I say, I think a lot about. I have that sense of responsibility and I do not stand up without knowing what I am going to say and finish up going from one point to another like the Honourable and Gallant Member normally does. This leads me to a very important point because it is precisely on his outburst the other day when I was interrupted under the guise of a point of order that I meant to have said that though he got great personal support his party failed. Let me also say that when he went to that election he did not take the question of Gibraltar's independence as part of his manifesto. Therefore, when he says that the Dockyard belongs to us or that the other land belong to us and that, in any case, if the British want to have a base, well let them pay for it and so on, he is really not being consistent with the ticket on which he went to the election, however strongly he feels about it.

HON J BOSSANO:

If the Honourable Member will give way, he did not put in his manifesto that he was going to set up a Gibraltar Ship Repair Company.

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

Quite, quite, but I am entitled to say what I am saying now, that you did not put it in the manifesto. However, this is much more important, because we are reaching the stage where what the Honourable Mr Bossano is saying is that we are not being given anything, the British Government should pay for the Naval Base if they want it and so on. Well, that really means that his attitude is that we can go it alone without the British Government and if the British Government want to be here, they have to pay for it. Well, that, I think, would be the most disastrous thing that could happen. In the debate on the Naval Base, which I brought in lieu of the suggestion that we should go on television, I made it quite clear and I made no bones about it. I subscribe to this approach that would make Gibraltar completely free from external forces if it was guaranteed by those who want to follow us and others that that feeling one has got, that we have to go it either with Spain or go it with Britain, of that there is no doubt. We have to go it with Britain because the alley up which Mr Bossano would take us would eventually bring about a disengagement by Britain. Then the outcome would be absolutely clear, we would be swallowed up by our neighbours and that is the last thing that anyone wants, even Mr Bossano. He therefore does not see the consequences of his thinking in one respect and the result that it will bring in another. I will go on to what was said later on yesterday and was clarified - it deals partly with the point that he made that what was being done was putting a pistol at the head of the workers to accept

one thing in order to get the other. Let me be quite clear about this, that, of course initially, in this manner, the people who are going to suffer most are the workers of the Dockyard. There is no doubt about that because it is the Dockyard that is doomed to closure. If it had been the PSA or the DOE it would be the people of the PSA or the DOE but it happens to be the Dockyard and they are the people who are going to suffer most, of course. They are not being made to pay for the rest of the economy. They may have, like the rest of the economy or other people in the economy, to suffer hardships but their hardship may come sooner than the others if there were a deterioration in the situation. Let there be no question of saying that the workers of the Dockyard have got the responsibility for the rest. The workers of the Dockyard have got the responsibility for themselves, let alone for others, to see what is best for them and it is their privilege and their liberty to do so. They are entitled to commit suicide as well, if they want to. A judge said recently: "Well, if you start suicide, then for God's sake finish it properly." Well, I hope that that does not happen here, when we have a case of attempted suicide. The kind of exercise that has been mentioned by the Financial and Development Secretary of making a presentation to the workforce and letting them know what it is all about will have my full support. We have discussed this before. I am quite sure that this is the matter in which, despite the discipline and the feeling of membership that the union enjoys, particularly the Transport and General Workers Union, the workers and the Gibraltarians have also got a little piece of independence of mind. I hope that everything will be done through the Unions, not over the heads of the Union, but this is the case in which each individual must decide for himself and it is not one of those cases where the Union's executive, or a particular section of the executive, is going to decide the future of the men. I am sure that that would be the last thing that anybody in the Union would want. Even if the Dockyard workers are going to have this choice and, hopefully, gainful employment, it is certainly much more than some people in the United Kingdom who come under the axe of the present cuts are getting. The only difference is that they are paid £60 a week. To have a say in their own future jobs, as the Dockyard workers are going to have here, is not given to the majority of the people who suddenly find themselves faced with redundancy because of the industry to which they belong or because of the factory to which they belong. The loss of 1,000 to 2,000 jobs is announced every day in the press. They are not given the chance to opt for other employment. Therefore, I hope very much that there will be meaningful negotiations by management with the workforce to bring the matter to a satisfactory conclusion. As I said before, and one way has already been indicated by the Financial and Development Secretary, we will help in any way that we can and certainly we can help in putting across what there is there, and let them judge. We are not going to tell them what to do because even if we did they would not do it if they do not want to. This is a free society and they are entitled to do that. The day we were to say British go home, then it will mean that Spain will come in and perhaps there will not be so much need for Gibraltarians to go to Spain. I did not speak on the amendment yesterday because, in fact, the main point made by the Leader of the Opposition, to which I wanted to reply was going to be done any-

how in my last contribution, not because I am afraid and I want to have the last word but because it is my right anyhow and because I think the picture is looked at better if you speak once only on one matter and not repeat yourself or possibly incur the reproach from the chair that one is saying the same thing more than is necessary. I hope I never do that. It is all very well, all the exhortations that have been made from the other side about the fact that they have been asking for unity, but what have they done about working for unity? I think my honourable colleague, Mr Canepa, cleared the way and all the letters that the Honourable and Gallant Major Peliza mentioned before were prior, except for one part of one letter, to my letter of the 15th June, 1983, addressed to the Leader of the Opposition after he chose, on his own, to write to all the MPs. On that day, on the 16th June, I wrote to the Leader of the Opposition saying: "I am writing to you with reference to the letter which you have addressed to Members of Parliament. You will recall that in your letter of the 3rd June you informed me of your party's view that there should be a petition to the Prime Minister, a letter writing campaign as well as a delegation from all the parties represented in this House of Assembly. You also informed me that you yourself proposed to write to Members of Parliament on behalf of your party immediately after the general elections results were known. In my reply of the 10th June, I made the following points:- (1) that at our meeting on the 10th March we had agreed that action on a possible campaign should be deferred and that further thought should be given by all concerned to the steps that might be taken; (2) that I continued to hold the view that the question of a campaign should be deferred until we had come to a conclusion of the commercialisation proposals; (3) that it was my intention to make available to you, early this week, copies of the relevant documents for you to consider prior to presentations being made to you and your colleagues by Appledore and by the Government Consultants on the 27th June, an arrangement which you were previously aware of; the documents were made available last Tuesday; (4) that, as you knew, we had in mind that I should visit London to discuss this matter before it was referred to the House of Assembly, now early July; (5) that I agreed in principle that an all party delegation from Gibraltar should make early contact with the British Gibraltar Group, that, as in the case of the letter writing campaign, I thought it was important to get the timings right and that I should like to discuss these two matters with you as events developed over the next 2 or 3 weeks; and (6) that I was sending a copy of the letter to Mr Bossano, who would also be receiving copies of the relevant documents on his return from the United Kingdom and who would also be attending the presentations referred to above. In the light of the above and of our discussions on the 10th March, I consider that your letter to MPs was premature. I believe that Gibraltar's overall interests require that there should be a high degree of coordination in this matter and not unilateral action by a particular political entity. Apart from the above, it is clear from the text of your letters to Members of Parliament itself that your approach was incomplete and likely to cause confusion in their minds. You state, for instance, that all the signs and all the evidence available to my party seems to indicate that the commercialisation alternative may well not be a viable alternative". Surely, it would have been preferable to await the main evidence which

you knew would be made available to you very shortly. If after considering that evidence and if after consultations amongst the 3 parties we were, in fact, to conclude that commercialisation would not be a viable alternative, that surely would have been the time to mount a united and effective campaign based on a careful study and real, as distinct from hypothetical, arguments with positive and realistic alternatives. He also states that it seems that redundancy notices will be issued to the workforce in the Naval Dockyard before the end of the current month. This is not in fact the case, no decision has yet been taken as to the date which redundancy notices will be issued. He also states "clearly there is a need for final decisions to be postponed pending further discussions, not only between the British Government and the Gibraltar Government, but between the Gibraltar Government and all political parties represented in the House of Assembly of Gibraltar". I go on to say, as you are fully aware, all concerned, including the British Government had agreed that this discussion must take place and it has been quite clear for some time that they will not finalise before the end of June. I reiterate my conviction that as you yourself have stated on many occasions we must all attempt to work together in the overall interests of Gibraltar and that our efforts are much more likely to succeed if they are properly coordinated and based on a reasoned case. Finally, I must again make it clear, as I have done for many months, that Gibraltar Ministers have not yet reached a firm view on the commercialisation proposals. When we do this, we will pursue our policy with the utmost vigour and determination, hopefully with the support of Gibraltar as a whole. He wrote a letter back confirming what he had done and I reiterated that I thought it was premature. Later on, in the newly launched party paper: "Clearly the leader of the Democratic Party of British Gibraltar took a leaf out of Sir Joshua's book by writing to all Members of Parliament at the most opportune moment, namely, shortly after their election to Parliament. Well, there is no doubt that this move clearly annoyed the Chief Minister. It was nevertheless recognised that it was a necessary move to make Members of Parliament aware of the problems that Gibraltar was faced with as a result of the closure of the Dockyard". So, really, he was responsible for the parting of the ways by writing over the heads of the British Gibraltar Group to all Members and I do not see that he has produced much by that wonderful effort of writing 650 copies to all the Members of Parliament. So, it is no use talking about the unity on the one hand and doing what you think is right or what you think is popular, on the other. So that, as I explained in my subsequent letter, and as I explained in paragraph 13 of my statement, I may well be asked why, on this particular occasion, I did not attempt to rally all concerned in Gibraltar with a view to unity, in the face of the problems ahead of us. The answer to this is what I said that my colleagues and I had the responsibility as a Government to go into the whole matter thoroughly first with the British Government and assess what might be achieved. We have done so and, as the House will see, we have achieved a very considerable amount. Well, I will say a little more about that. As it happened, the way events developed, it was quite clear that it would have been impossible to have been at reference all the

time, as the Hon Member has to be in dealings with these matters to his colleagues, in the very difficult negotiations that pursue and it would have been very difficult to have reached any agreement which would have had a consensus of all. It was a matter of doing what we could do in the circumstances, taking advantage of the strength of our case and presenting what we have done to the House. I make no further apologies about that. I think the Hon Member forfeited his right to say that there should be unity when he acted entirely on his own. So that, really, whilst we know that the letter writing campaign had very little effect, we were, in fact, invited to hear the very long letter sent to the Prime Minister. I do not know on what terms he is with her but the Hon and Gallant Member writes to the Prime Minister as if he were her next door neighbour. If he gets any reply from her or not, that is another matter. I am told, however, that she is a very well behaved lady who reads all her letters even though they may be purely acknowledgements.

HON MAJOR R J PELIZA:

I could show the Chief Minister a number of letters to which I have had a reply from the Prime Minister and I have no doubt in my mind that a reply will come. If not she will get another letter from me, I can assure you.

HON CHIEF MINISTER:

Yes, I am sure, I am sure that she makes a point of writing a letter to everybody, not just to the Hon Member, because that is her style. However, what the letter contains is a different matter and what one can achieve by talking to her is another matter. Now, the references that have been made about the British Nationality Act, I think, have been exposed more than once. The two things are completely different. Here we are talking about hard facts of defence, change of defence policy which is controversial in some respects but which is the definite policy of the British Government and where money is concerned. Perhaps we may hear things now and then that we do not get enough but my friends in England think that the way some of the industries are dealt with in England, some of the ways in which unemployment is talked about in England and the little regard it has for them compared to the extent to which they go to support the people of Gibraltar, is to them unbelievable. A lot has been said in connection with this question of the unity of a Gibraltar view. First of all, there would not be a Gibraltar view. We had it yesterday from Mr Bossano, that even if we went to an election and we won there would not be a Gibraltar view on the commercialisation of the Dockyard. So there cannot be a Gibraltar view because there is a fundamental difference of approach in some sections. That has to be realised. It is interesting that all the questions that were asked about consultations to the MP's, were not about whether the Gibraltar Government had consulted the Opposition but whether the British Government had consulted the Spaniards.

That was all that people were concerned about, not about whether the Government had consulted the Opposition. The Opposition has, to some extent, been much more in this than would normally have been the case, as my Hon Colleague mentioned, they have had the benefit of having

HON P J ISOLA:

Will the Hon Member give way?

HON CHIEF MINISTER:

No, I am not going to give way. I give you notice from now until the end of my intervention. Then, after that you can say what you like if you have the opportunity. The Opposition have been given the benefit of the reports, of course on a confidential basis, we have it on a confidential basis, therefore why then should not they have it on a confidential basis? Why should they be entitled to publicise documents that we, in the interest of Government itself, consider it not the policy to do so? This is happening every day in the United Kingdom and every day you get the same noises from the people who do not get everything they want - not then our fault but Governments. That is the normal answer. Of course, Government has got to carry on and Government has got to exercise its prerogative to decide what is in the public interest or not because ultimately the Opposition go home happily and the responsibility lies with Government and that is why the Government must have the last say. They were also given two presentations which were described as very useful by the Leader of the Opposition, though, as it happens, none of them were attended by the Hon Member. He was looking after his constituency in Stanmore or Ealing or wherever he lives. They were also given the opportunity of putting questions in order to understand a little better what was being put to them. What have these reports, particularly the last one, which we have paid or partly paid, what have they done? What has happened? Let me say that a very useful outcome of those reports is that we have been able to have our attitude towards the conditions of commercialisation strengthened by those reports because some of the reports on the Appledore Report say that the Appledore Report is over-optimistic and we have been able to rely on the other reports to say that the optimism of Appledore cannot be taken for granted and therefore that commercialisation alone is not enough and something must go with it. The Minister for Economic Development showed what we had said in February and it showed what the thinking of the Government was: that you have to diversify the economy, that you have to have added areas and added activity to diversify the economy in order to make up for the loss that may be suffered by a reduced Dockyard or by, perhaps, the ending of an era where people's jobs were guaranteed whatever else was happening in the world outside. Here is where we come to a very important factor. Gibraltar, by virtue of the Dockyard economy, has not suffered the wind of change that is taking

place in the rest of the world. The people have had secured jobs, overtime to some extent and security of jobs. All that does not exist anywhere else in the western world and the world is shaking and the world is changing and unfortunately it takes a little time but it has come to Gibraltar and this is a reality. We must realise that the economy of the world is in a shaky position and we cannot have continued and eternal security, irrespective of outside forces. Outside forces have come and they have to be faced. Fortunately we have options to face them with others are not given that option. All the reports equally said that nothing else could substitute the closure of the Dockyard for the commercial Dockyard. That is the outcome of all the reports. There was no other option except complete closure and nothing in its place. There was talk also about my having been cornered and other Members described it as stamped. Perhaps I might read, if I can find it, a piece of news that appeared in the Daily Express. I do not vouch for its accuracy but things sometimes have the knack of getting part of it right. It was an article in the Daily Express of the 27th July, 1983, that is the day we came back from England. Actually, I read the Daily Express - well, I do not usually read the Daily Express - I looked at it but I found that the edition that had arrived in Gibraltar when this was brought to my notice did not carry this piece of news but later editions carried it: "Maggie to the Rescue for Rock. Mrs Thatcher agreed a multi-million pounds package last night to keep the Rock of Gibraltar afloat. It followed a threat by the Gibraltar Government to resign and pass direct rule to London if Britain closed the Royal Naval Dockyard but last night the Chief Minister, Sir Joshua Hassan, signed the rescue deal with Mrs Thatcher". Well, that was not strictly true, but anyhow: "It will include a year's reprieve for the Dockyard, almost £50m on development aid, a gift of Ministry of Defence land around Rosia Bay to be developed as a Costa del Rock and British Government help in converting the Dockyard to commercial use. A statement about the deal will be made simultaneously today in London and Gibraltar". So far for having been stamped or threatened.

HON J BOSSANO:

Where are the £50m?

HON CHIEF MINISTER:

Well, that is the figure. Almost £50m it said but almost can be anything. Anyhow, if there is £26m on the one hand and £14m on the other, you have £42m, plus £1m a year for five years or whatever it is. I am not trying to emulate the Spaniards in mentioning millions but millions are there and the report yesterday in The Times of the parliamentary proceedings only mentioned the 'heady £28m for Gibraltar'. So that I really feel that any suggestion that we have been bullied about is completely and utterly untrue and I have the advantage, on this occasion, of having had my colleague, Mr Canepa, who has given an account of how things went. Mr Restano's contribution again pays lip service to unity but it

is rather interesting because he said that he found incredible that the new assurances were left out. It shows complete and utter ignorance of Government and the tasks involved in these matters. Nothing would have been more preferable for me, in presenting the case, to present it the best way possible. It was part of the agreement to have had it included but as I was speaking on the first pages of my statement, the last pages were being typed because we did not start working on the statement until after I saw the Prime Minister which was at half past five in London. A lot of it had to be dictated over the telephone and the rest was prepared on the plane and it is inevitable that one paragraph was left out but the fact that I did not quote it does not make any difference. If I had failed to quote something which was adverse then they would say that he was trying to mislead the House but I have failed to make the one, not only the most important one - and at the time of reading, I was reading and I was not thinking in terms of what I was reading - but the one on which I specifically asked the Prime Minister whether I could quote the fact that I had drawn her attention to that part of the agreement because I attached the greatest importance to it. She said that I could say that I had stressed that to her at our interview. That is the all important new clause which runs parallel, as the Leader of the Opposition himself has explained, runs completely parallel to the support and sustain policy which was enunciated after the closure of the frontier and that can apply to the closure of the Dockyard.

HON P J ISOLA:

Could I ask the Hon and Learned Chief Minister to give way? There is one little point that I had not noticed, actually, because this thing was brought in and that is that the commitment given there, which we welcome, does, in fact, refer during the present border restrictions. Therefore if the present border restrictions are not there, say, in the fourth year of commercialisation then there is no commitment. That is how I read it.

HON CHIEF MINISTER:

I appreciate that that is a possible reading of the statement but they made it quite clear, and that is why I mentioned it: "In line with the policy of supporting Gibraltar during the present border restrictions means the kind of sustain and support that we have been giving you whilst the border is closed and there are restrictions, we undertake to give you in respect of the outcome of the commercialisation of the Dockyard". That is a proper clear interpretation. I was cautious at first at that wording. Let me be perfectly frank, that is why I cleared it with the Minister and I cleared it with the Prime Minister herself and I said that I wanted authority to be able to refer to this as having been a vital link in our package. As I said, this was happening at the same time, or rather, within an hour of this, part of the statement was being

written and within two hours of that, part of it was being telephoned to Gibraltar for typing because the time of this meeting of the House of Assembly was not set for the convenience of the time from my arrival from the airport to this House. It was set taking account of the fact that I did not want a statement to be made in the House of Commons before it was made in this House and 3.30 pm was the House of Commons time which was 4.30 pm Gibraltar time. I wanted absolute synchronization of that, in order that we should not accuse, as has happened so often, that we should not accuse the British Government that news are released in England affecting Gibraltar before they are released in Gibraltar. Hence the rather short period of time between arriving here and getting the statement ready. Let me also tell you about the rush in these difficulties. During the last visit of Mr Stewart to Gibraltar heads of agreements were more or less reached but they were not forthcoming until Monday morning because they had to be cleared by Cabinet Ministers. The decisions were taken at the highest level up to the very last moment. For all these reasons paragraph 13 of my statement is absolutely true and correct. We would have been bogged down in details had we all wanted to get this Gibraltar view that would never have been forthcoming and we would not have been able to get even what we have got which I think is very good. I have been here most of the time, in fact, all the time and I have listened to everything that has been said and I think that we have had a good debate in which people have expressed their views quite clearly. Ultimately, in these important matters we are conscious that we are taking a very crucial decision. It would have been comfortable to have shared them with others in case things did not turn out well but it is also ultimately the responsibility of the Government to do what the Government thinks is best. We cannot forever stand immune from outside forces. Against the background of the inadvisability of the closure of the Dockyard, we are satisfied that we have obtained the best deal possible. A point was made whether I had fought for the continuation of the Dockyard. If Hon Members get their pages right because they were not, I am afraid, issued in the right order in the House of Lords questioning. Anyhow, I have got it right. Lord Boyd-Carpenter asked: "My Noble Lord told your Lordship that the Government of Gibraltar were recommending acceptance of this arrangement to the Gibraltar House of Assembly this afternoon but can he confirm that Sir Joshua Hassan and his colleagues have made it absolutely clear that they would infinitely prefer the continuance of the operation of the historic Naval Dockyard?" Then, Lord Trefergarne dealt with other matters and Lord Boyd-Carpenter said: "My Lord, will my Noble Friend answer my first question as to the attitude of Sir Joshua Hassan and the Gibraltar Government?", and Lord Trefergarne said: "My Lord, I apologise for not answering that question. Sir Joshua appears to be very happy with the arrangements that have been reached, no doubt he would have preferred the Royal Naval Dockyard to have remained forever exactly as it is but I am afraid that that was not one of the possibilities open to us". So that point was in fact made in the course of our discussion. We do not, happy as we are with the deal that we have obtained,

underestimate the difficulties ahead and the effects on the economy. I think my Hon Colleague, Mr Brian Perez, dwelt at length on that and there is no kind of misunderstanding whatever about the difficulties that we face but we do so conscious that we have got a fair deal which, if we know how to work it, can go a long way to overcome them. We have fought what I think was a good fight. We are satisfied in our own consciences with all the knowledge of how we have conducted the negotiations and we are satisfied that we got the best deal possible to give to Gibraltar as a whole and particularly to those who are totally affected in order to save ourselves from disaster. Mr Speaker, after many years of fighting the Gibraltar cause I have come to this House with a clear conscience that I have discharged my duty honourably to my people and that I have obtained the fairest deal possible and that I hope Gibraltar will take that opportunity.

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

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

The following Hon Members voted against:

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

The following Hon Members abstained:

The Hon D Hull
The Hon R J Wallace

The motion was accordingly passed.

HON A J CANEPA:

The Hon Major Peliza raised, in his intervention, the question of Wimpy. I checked with the department. He raised the question of Wimpy's interest in the Command Education Centre Development Project. I checked with the Crown Lands Department. There is no record on file of any approach having been made by Wimpy. However, because the Surveyor and Planning Secretary himself returns from leave on Monday, what I will do next week will be to check with him whether there have been any verbal enquiries. However, there is no record of any formal enquiry being made.

HON MAJOR R J PELIZA:

I am sure, Mr Speaker, that the Hon Minister will pursue the matter, I know.

MR SPEAKER:

I understand Mr Isola that you have lost interest in the motion which still stands in the Order Paper.

HON P J ISOLA:

I will ask the leave of the House to withdraw it.

MR SPEAKER:

Well, there is no need. It has not been proposed.

ADJOURNMENT

HON CHIEF MINISTER:

I wish to move that this House do now adjourn sine die!

MR SPEAKER:

I will then propose the question which is that this House do now adjourn sine die. In so doing I will remind the House that the Hon and Gallant Major Peliza did give notice on the 6th July, as a matter of fact, that he wished to raise on the adjournment matters connected with the enfranchisement of the people of Gibraltar in connection with the elections to the European Parliament. Therefore, you are free to do so now.

HON MAJOR R J PELIZA:

Would you mind my asking, Mr Speaker, in total it is forty minutes, isn't it?

MR SPEAKER:

It is forty minutes. It is, by my watch 11.51 am.

HON MAJOR R J PELIZA:

I have no intention of keeping the House, Mr Speaker. I think that this is a subject in which, unlike the previous one that we have been debating here the whole day, I think that there is a certain amount of unanimity with the question of representation by Gibraltarians in the European Parliament. The reason why I want to raise it is because in June next year elections are taking place. I felt that it was necessary to bring the

matter to the House, first so that people in Gibraltar generally are made conscious of what is likely to be their fate in the few months to come and also to try and find out what the Government has done since the matter was last raised in the House and what it intends to do to ensure that the people of Gibraltar are enfranchised. I think that we, who feel very conscious of our democratic rights, must also feel very conscious that we do not seem to have this right together with most Europeans who belong to the EEC. In fact, there is a bit of controversy going on about British Citizens who do not reside in Britain but reside in Europe, in other EEC countries and who up to now, unlike their counterparts in the other nations, do not have the right to vote. They are conducting a campaign at this very moment, they are collecting signatures with a view to getting that right for themselves. Now, the House will recall, and I am going a few years back, that in 1977, on the 16th July 1977, we got a bit of a shock. Arising out of the question put by Lord Bourne in the House of Lords, in the answer given by Lord Goronway-Roberts, we were told that we were not going to participate in that election. He went as far as suggesting that the people of Gibraltar were quite happy with the situation when, in fact, neither the Chief Minister nor the Government of Gibraltar had been approached on that matter. I think that there was a bit of an uproar here because of the way that they had conducted the enquiry that was put by the Gibraltar Government on behalf of the people of Gibraltar, and particularly of the European Movement, as to this. I think, Mr Speaker, that I would like, just to be fair to the Hansard which is dated 15th July, 1977, on page 22, to quote the Chief Minister who said: "I think on that, it looks as if the arguments that were put in that letter were not being given, certainly on the 25th May, the consideration and respect that they deserved even if they had not agreed with it but certainly I think that the matter had not been treated with that consideration that a letter of that nature warranted". It referred to a letter that he had sent from Gibraltar and an answer to that letter was given in the House of Lords without, in fact, the Chief Minister having had a reply for Gibraltar. Then he went on to say: "As the letter states, all elected Members in the House of Assembly, are Members of the Gibraltar Branch of the Movement, and I confirm that they fully support the request that the people of Gibraltar, as community nationals, should be able to vote in the elections when they are held". Now, I do not think that anything has happened since then to indicate in any way that there has been any change of heart in the people of Gibraltar. I feel that situation is almost the same. Now, it so happens that in another debate in November that year, as a result of this, the House supported the motion that was to be taken to the European Movement so that it could be passed by the congress of the European Movement and so add support to the representations being made by the Gibraltar Government. That resolution was passed almost word for word as that which was agreed to in this House. I feel that it is important that I should read that resolution because it shows that we have got to do something similar and do it very quickly if we are going to have any chance whatsoever of participating at the next elections.

I will say why I think that it is very important that we should particularly now. I will read this: "At the congress of the European Movement held in London on the 26th November, 1977, at which all the United Kingdom Branches were represented, the following motion was approved unanimously by acclamation:- 'Recognising that Gibraltar and its citizens are within the European Community under Article 2274 of the Treaty of Rome and in view of the proposed enlargement of the community and the forthcoming elections to the European Parliament, the European Movement in Britain resolves - (1) to pressurise this Government and other European Community Governments to recognise that Spain would be in breach of Community rules if admitted to membership whilst continuing to blockade Gibraltar, and (2) to campaign for the enfranchisement of Gibraltarians in the elections to the European Parliament on lines similar to those applied to overseas territories of other Member States'". Of course, that refers particularly to the French territories. This resolution was slightly amended by an addendum which, in fact, came from the people, the British Citizens who live in Europe, who, as I explained before, are not being enfranchised. The following addendum by the English speaking Branch of the European Movement in Belgium was also approved: "To pressurise this Government to coordinate its legislation with the Government of the other eight Member States that all United Kingdom citizens residing in a community outside the United Kingdom are also able to vote in the election". We are now British Citizens and if we happen to be living in France we will not be able to vote. This is why, I am glad to say, at the last congress in November last year a similar resolution to this one was passed but it was incorporated as a whole, that British Citizens who are in European territories which are part of the European Community should have the right to vote. Now, that resolution was passed at the congress this year. Obviously, we have to take our line directly with Gibraltar. We can see that the other British Citizens in Europe are taking their line. They are making all the efforts that they can in that way. I also know that Lord Bethell is very interested but he is making very little progress, either with the British Citizens or with us. That, of course, does not mean to say that we have got to throw in the towel. I believe that it is absolutely vital for Gibraltar for the Gibraltarians, not simply because I think that it is a democratic right, that it is owed to us but also, I think, because we should try and be enfranchised before Spain joins the European Common Market. We may otherwise be forced, when the time comes, to have to participate in a regional election in which Spain will be included. I do not think that that will be in our interests and therefore I think that it is absolutely vital that we make a super effort to try and get through this time. Now, I know that the European Movement in Gibraltar is very keen to try to do everything possible within their power to bring this to the attention of the British Parliament and, of course the British Government. However, as we all know, the European Movement has got no piece, as you might say, no political piece as such. It is obviously the Government who has a much bigger say, and is much more listened to than the

Movement by itself. I want, first of all, for the Government to be able to give their full support - and I mean every Member of this House, not just the Government, the Government particularly, of course, but every Member of this House - to the European Movement in whatever action they may decide that they want to take to try and obtain this legitimate right of the Gibraltarians in time for the next elections. I understand that they are considering the possibility of taking a petition to Parliament after acquiring as many signatures as possible from Gibraltar. I also know that the Chairman, or Chairwoman, when she was in England recently to hand over their memorandum to the Prime Minister, has been in contact with Albert McQuarrie who has already said that if he is wanted to present the petition, he will be more than pleased to do so. So, I do not think that we can find any difficulty whatsoever in having the petition presented in Parliament. Now, of course, I think that first of all, we have to convince Parliament because at the end of the day it is representations that the British Government makes to the relevant authority in the EEC that will carry the weight. If they insist and persist I can see very little difficulty in the European countries themselves accepting it. What we have to do is to convince the British Government itself. From the replies that we have had from them last time, I think that they have put quite a number of impediments, one of them being representation in the British Parliament. I do not believe that two wrongs make one right. I do not believe that because we do not have representation in the British Parliament, we should not have representation in the European Parliament. I do not believe that because they represent Gibraltar through the Foreign Office, indeed, they represent Britain through the Foreign Office in the EEC, however, that does not deprive the individual British Citizen in the United Kingdom from having direct representations in Parliament. That is very important. In fact, that is the balance of power as we all know. Therefore, that argument to me is totally wrong, Mr Speaker, and therefore I think that we have good arguments to pursue. I do not intend to put them here in this House today. I know that the Chief Minister and his Government are quite capable of doing this. So, Mr Speaker, what I am going to ask the Chief Minister if he will do this, and he must say this convinced that the Government is prepared to pursue this matter, and will the Government do it. I want to have this cleared. We do not want any differences too late in the day when nothing can be done. Is he prepared and is the Government prepared to pursue this matter? Is the Government prepared to get the Opposition to cooperate with him and does he really mean that? If he does, will he get cracking as soon as possible because there is very little time? Does he believe that the European Movement should be brought into this? Will he also give every possible encouragement so that the petition is as successful as possible? I would like to hear the Chief Minister unequivocally say yes or nay to this. I would not like the same thing that has happened with the Dockyard to happen on this, for everybody to slow down and do nothing about it and then find that the Government, at the end of the day, believes

that it is better not to take the matter up. This, to me, is very serious because I certainly have my ideas of what we should do and if the Government is not going to do it, I would certainly try to get it done by every possible means by whoever can do it. A little effort is better than none. Whilst I believe that the Government should throw its full weight behind this, as they said they would, in fact, in both previous debates that we have had in this House, I do hope that they will do it now. Now, Mr Speaker, I should finish up with a little quotation. In this case, Mr Speaker, I am going to quote a Member who was in the Opposition and now is in Government, and this is Mr Perez. He referred to everybody and he said: "I have heard the Hon Mr Canepa express the feeling and also the Hon Chief Minister but what I have not been very satisfied with, in hearing the Chief Minister, is what his intentions are and what he intends to do now".

HON CHIEF MINISTER:

Where is he reading from?

HON MAJOR R J PELIZA:

Page 227 of the Hansard of the meeting of 24th June, 1977.

HON CHIEF MINISTER:

Who said that?

HON MAJOR R J PELIZA:

Mr Perez, in Opposition. I am sure that perhaps he would say the same thing today if he were to be on this side of the House. However, I have brought it up, Mr Speaker, to show how important it is that if we do get a commitment from Government that that commitment stands and that they do not go back on their word. I am asking now, with all sincerity because this is vital. We must be absolutely blunt and clear on this thing. If the Chief Minister thinks that he can do something about it, he must say it now. If he thinks that he cannot, then he can also say that, that the Government will not pursue this matter. Therefore, Mr Speaker, this is the very reason why I have brought it up. There is very little time to go. We want this to get under way as soon as possible and I would like to hear it, since he said himself then that he was going to pursue the matter and Mr Perez questioned then what the Government had done since this was said here in this House. If he cannot give it to me now, and I can understand it, perhaps he could write to me or let me know.

HON CHIEF MINISTER:

Well, first of all, let me say that when we visited Strasbourg officially in 1980, I was particularly impressed by the strength of feeling of all Members of the European Parliament whom we met, from Madame Veil, the President, downwards, about the inequity of our not being enfranchised. There was no doubt about that although they may not be able to do much about it. There is no doubt about that. I have taken every opportunity that has arisen since then and I think I have a certain amount of correspondence with Lord Bethell, dealing with matters of the European Parliament, where this matter occurs and occurs again. It is less than fair to say that he has cooled down on his enthusiasm. I think that, like so many others, he has got a number of causes and sometimes he may be detracted from one, giving his attention to the other. Only yesterday, or was it the day before, I spoke to the leader of the delegation that came here about the EEC. In fairness, I want to be quite clear I did not raise this myself. I told him that I hoped that the memorandum presented by Mrs Baldachino would be considered in all its paragraphs. He said: "Yes, the whole thing will be considered, and there would be a due reply". Of course, that memorandum contains, among the vital elements in it, the question of enfranchisement. Therefore, from the point of view of policy, Government supports the idea that there is no reason why we should not, apart from the fact that we do enthusiastically support the idea in every way. What should be realised is that the Government is - I do not like the word impotent - in as difficult a position as the Opposition can be. I will fully support any matter but, if I may say so, this is one in which, perhaps, Members of the Opposition can prepare memoranda for joint meetings and so on. The Government, unfortunately, always depending on the same people on very vital matters, is and will now be very seriously engaged on this matter which we have debated today. To tell the Hon Member that I will be able to dedicate these afternoons to these matters with officials now would not be telling them the truth because we have simply not got the time to do it now. That does not mean that our enthusiasm is any less or that we are not prepared to support. So, this being a matter which is outside party interests and is overall, I would very happily leave the initiative of the working of this, not only to Members of the Opposition, but to my colleagues in the European Movement themselves to liaise with the Members of the Opposition in that movement, to prepare memoranda and bring them to me whenever my advice or my intervention is required. I cannot go further than that because it would be misleading. I know that we are going to find great difficulty. I know that they may say that parliamentary time is not available to do it now and in time for the next election. I know that there are difficulties about that. However, we will certainly support it in every way but I cannot say that I will devote a lot of time to the memoranda or that the official working to me can do that at this stage. It is just simply not possible. We are stretched and we have been, and I may have been at fault in not saying a general word of praise, despite the differences,

to all officials. Two who were not mentioned for their sterling work that they have done in connection with the Dockyard were Mr Pitaluga and Mr Montado. Whatever the views of people, they have served Gibraltar very well and they are really stretched and will be for a long time. However, I am quite happy to support the idea and to give every encouragement possible to Members opposite and to the colleagues of mine who are in the European Movement. Before I sit, may I just, with regard to something that was said earlier, say that arrangements have now been made for a presentation to be made by Appledore to the Dockyard and to the public at large. Leaflets are being published on this.

HON J BOSSANO:

Mr Speaker, the Hon Member has mentioned Appledore but I think that when the Financial Secretary was talking in answer to a point by the Hon Member, he said that he meant all consultants.

HON CHIEF MINISTER:

Well, we have arranged the Appledore one now. I mean, we have been able to clear that. We will do the other one as well but we have not had time, it is a matter of arrangement.

Mr Speaker then put the question in the terms of the Hon the Chief Minister's motion that the House adjourn sine die which was resolved in the affirmative.

The adjournment of the House sine die was taken at 12.10 pm on Friday the 29th July, 1983.