

# GIBRALTAR

## HOUSE OF ASSEMBLY



# HANSARD

11TH DECEMBER, 1984

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Fifth Meeting of the First Session of the Fifth House of Assembly held in the Assembly Chamber on Tuesday the 11th December, 1984, at 10.30 am.

PRESENT:

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

GOVERNMENT:

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

OPPOSITION:

The Hon J Bossano - Leader of the Opposition  
The Hon J E Pilcher  
The Hon M A Feetham  
The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J L Baldachino

ABSENT:

The Hon R Mor (who was away from Gibraltar)

IN ATTENDANCE:

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

PRAYER

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES.

The Minutes of the Meeting held on the 30th October, 1984, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

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

The Principal Auditor's Report on the accounts of the Gibraltar Broadcasting Corporation for the year ended 31st March, 1984, together with the comments of CBC thereon.

Ordered to lie.

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

- (1) The Employment Injuries Insurance (Claims and Payments) (Amendment) Regulations, 1984.
- (2) The Employment Injuries Insurance (Benefit) (Amendment) Regulations, 1984.
- (3) The Social Insurance (Contributions) (Amendment) Regulations, 1984.
- (4) The Social Insurance (Benefit) (Amendment) Regulations, 1984.

Ordered to lie.

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

Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 3 of 1984/85).

Ordered to lie.

ANSWERS TO QUESTIONS

HON CHIEF MINISTER:

Mr Speaker, I was going to say that under Rule 7(3) of the Standing Orders I propose that we will deal with the Bills in the afternoon. I have not really finished my material for my motion now and we can get on with Bills and we should take the motion as soon as we finish the Bills.

Mr Speaker then put the question which was resolved in the affirmative and the order of business was accordingly changed.

The House recessed at 1.00 pm.

The House resumed at 3.25 pm.

#### THE ORDER OF THE DAY

#### MINISTERIAL STATEMENTS

##### MR SPEAKER:

The Hon and Learned the Chief Minister and the Minister for Education, Sport and Postal Services have given notice that they wish to make statements. I will therefore now call on the Hon and Learned the Chief Minister.

##### HON CHIEF MINISTER:

Mr Speaker, Hon Members will remember that at some stage in the course of some of the questioning on the GSL, I said that at some stage I would make a statement on how we saw the situation. This is what the statement is about and that is the Government's responsibility for matters affecting Gibraltar Shiprepair Ltd and how the Government proposes to handle questions asked in the House when the Financial and Development Secretary ceases to be Chairman of the Company on the 31st December, 1984. The Government has neither executive nor statutory responsibility for the management of Gibraltar Shiprepair. It was established as a private company with the intention that there should be no Government involvement in its day-to-day affairs. The provisions of the Gibraltar Shiprepair Limited Ordinance reflect that decision. However, it goes without saying that the Government, as sole shareholder for the time being will take a very keen interest in the financial and commercial development of the company. With regard to the provisions of the GSL Ordinance, and its position as sole shareholder, the Government will answer in the House major questions affecting the following:-

- i) the issue and disposal of shares in the Company;
- ii) the capital structure of the Company and of any subsidiaries;
- iii) sources of long term finance for the Company and any subsidiaries;
- iv) in general terms, the progress of the Company towards financial and commercial viability;

- v) in general terms, payments out of the GSL Fund established under Section 6 of the Ordinance.

The Company's accounts will be audited and laid before the House of Assembly. There will be an opportunity to discuss Company affairs and the Government will introduce a motion on the accounts for that purpose. I would also expect the Company to provide the House, as the basis for informed debate, with appropriate information about business and employment prospects and progress towards profitability. The debate on Company affairs will of course provide Members of the Opposition with an opportunity to raise a variety of matters. I hope that these will be matters of general policy. The Government however cannot undertake to answer questions in this House other than those which arise directly from its responsibility as sole shareholder, or other responsibilities arising under the Gibraltar Shiprepair Limited Ordinance. Added to the statement I would add that as we go along within these parameters we will try to be as helpful as possible and perhaps some element of case law will develop in the areas in which we are prepared to be as helpful as possible within the parameters of the fact that there will be a professionally constituted Board devoted to running GSL.

##### HON J BOSSANO:

Well, Mr Speaker, the Hon and Learned Chief Minister has said it is only in the practice that we will see to what extent the list of areas which the Government accepts it should answer questions on will be sufficient but certainly as far as we are concerned it is not our intention to ask questions concerning the day-to-day running of the company and we have never intended to do that but I think there are areas where, for example, things like the terms of the agreement between the Ministry of Defence and GSL on the forty-six properties which was something mentioned in the original agreement which the Hon Member brought back in July, 1983, that would be an area where we would think we should be entitled to have information as to the nature of an agreement of that kind and information as to how much of the £28m, for example, is having to be used to pay for these properties because this is concerned directly, I would have thought, with how ODA funds are being spent and to what extent they are producing a benefit for Gibraltar.

##### HON CHIEF MINISTER:

I am very grateful for that helpful suggestion. With regard to the Management Agreement we hope that it will be published by the company in due course and, of course, a copy will be laid, as it exists between the GSL and the company and this

will be signed before the end of the year and I think we ought to be able to table a copy of the agreement. I would perhaps say in the last instance that I will answer for matters which are not of a financial nature but of an administrative or political nature and the Hon Financial and Development Secretary will deal with financial matters. I hope that will be satisfactory.

MR SPEAKER:

I will now call on the Minister for Education, Sport and Postal Services.

HON G MASCARENHAS:

Mr Speaker, arising from considerations on the Estimates of Expenditure for 1984/85 and the need to review the level of public expenditure, Government was conscious also of the need to maintain essential areas of all its services. Hon Members will recall that, in overall terms expenditure on education was maintained at a substantial level. The Department, however, was also required to make its contribution to economies in public expenditure. Government was mindful of the need to keep cuts in expenditure to areas which would not have any effect on essential education elements. Within that and with due regard to bona fide hardship cases, since no one will be deprived of taking any examination through lack of means, Government took the decision that a parental contribution was necessary in order to meet increasing costs of public examinations. In this respect, parents will be expected to meet 50% of the cost of all public examinations undertaken in Government schools as from the 1984/85 financial year. The Subject Fees for June 1985 will be £5.80 per 'O' level subject, and £10.75 for an 'A' level subject. No entry, oral, or practical fees will be charged. An average pupil entry for 'O' level is 7 subjects costing a total of £40.60. The parents' contribution would therefore be around £20 for a complete 'O' level examination. The average 'A' level pupil entry is for three subjects, at a total cost of £32.25 per pupil, making for a parental contribution of around £16.00. The House should note that these fees are set by the UK Examination Boards and therefore not controlled by the Department. I wish to emphasise once more that no pupil will find himself or herself unable to sit examinations on grounds of financial hardship. The procedures to be adopted will take full cognisance of this fact.

BILLS  
FIRST AND SECOND READINGS

THE ELECTIONS (AMENDMENT) ORDINANCE, 1984

HON CHIEF MINISTER:

Sir, I beg to move that a Bill for an Ordinance to amend the Elections Ordinance (Chapter 48) be read a first time.

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

SECOND READING

HON CHIEF MINISTER:

Sir, I beg to move that the Bill be now read a second time. Mr Speaker, this is a very simple Ordinance. Section 4 of the Elections Ordinance states that: "It shall be the duty of the Registration Officer to publish a Register of Electors in the year 1977 and every fourth year thereafter". Consequently, the last main Register of Electors was published on the 1st August, 1981 and a new Register would have to be published in August, 1985. A Supplement to the 1981 Register was published on the 17th October, 1983, which included persons who would be eighteen years of age up to the 31st March, 1985. The next general election, if the House were to take its full life, would be in March, 1988, or should it be so decided to bring it back to the normal date of general elections which was upset as a result of the resignation of Mr Maurice Xiberras and then bringing in the general election earlier, it would then be autumn 1987 and it would appear more practical to prepare the next main Register in 1986 rather than in 1985. This would ensure that the main Register would be more up-to-date nearer to the time of the general election. I would also remind Members that the making of a full Register costs now in the region of £20,000, I am told. The purpose of the Ordinance is to substitute the year 1986 for 1977 in order to be able to make arrangements for a more up-to-date Register nearer the general election. That does not, of course, stop us from asking the Registration Officer to make a Supplement after 1985 because 1985 is covered. I commend the Bill.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, we will support this, it seems a sensible move to make and I understand that the cost of compiling the Register is quite expensive and it seems inappropriate at a time when the Government is saying they are trying to find ways of saving money everywhere that we should be spending money for a Register that is going to be relatively out-of-date when the time comes to use it. We support the Bill.

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

HON CHIEF MINISTER:

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

This was agreed to.

#### THE DEVELOPMENT AID (AMENDMENT) ORDINANCE, 1984

HON A J CANEPA:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Development Aid Ordinance, 1981 (No 15 of 1981) be read a first time.

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

#### SECOND READING

HON A J CANEPA:

Sir, I have the honour to move that the Bill be now read a second time. Sir, the main object behind this Bill is to provide further incentives with a view to stimulating home ownership. At present, Mr Speaker, rating relief is allowed to the owner occupier for the first five years on the basis of an escalating scale whereby during the first year rates are not paid at all; during the second year 20%; 40% during the third year; 60% during the fourth; 80% during the fifth and then after the five years the full amount of rates is paid. Rates, Mr Speaker, are fairly high at the moment in Gibraltar, they constitute a considerable burden and what this Bill is proposing to do is to effectively double the period of relief to ten years so that during the first year rates will not be paid to all; the second year it would be 10%; the third year 20%, and so on in an escalating scale increasing by 10% each year thereby

providing relief from rates for ten years. Not only should this be an incentive naturally to the owner occupier but it should also provide an incentive to prospective developers who will know that prospective buyers are likely to be encouraged by this measure, particularly, Mr Speaker, in the case of an owner occupier taking out a mortgage, a mortgage, say, for fifteen, twenty or twenty-five years during the first ten years or so of repayment of the mortgage the burden is particularly stiff and therefore this extra relief that is being proposed in this Bill will be, I think, very welcome. The timing of it, I should say, is purposely geared to the recent launching of the Vineyard Home Ownership Scheme and we are only taking First and Second Reading of the Bill today because the Hon the Attorney-General wishes to consider very carefully the wording of the transitional provisions. Where there are existing licences they have to be assimilated to what is being proposed and existing licences which have been running for, let us say, less than five years will have to be assimilated into the new arrangements since that will run for ten years and the Hon the Attorney-General would like to consider very carefully the wording of these transitional provisions before we proceed with the Committee Stage. Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, I think the Bill itself, in fact, makes no mention of home ownership unless I am mistaken. It talks about residential development but not necessarily owner occupier, am I correct in that? I will give way because if I am not correct I will say something different but I would like to have confirmation that I am correct in saying that this Bill makes no reference at all to home ownership or owner occupation and that it will apply equally to residential developments for renting, is that correct?

HON A J CANEPA:

In any development whatsoever, Mr Speaker, it is only the residential part of that development that will become entitled to the relief proposals.

HON J BOSSANO:

What I am saying, Mr Speaker, is it has nothing to do with home ownership or with the encouragement of home ownership.

HON A J CANEPA:

It isn't limited to home ownership, it would apply to rented accommodation but the rationale in the thinking of the Government in bringing the Bill to the House at this moment in time is, in fact, to try and give a fillip to home ownership because of the Vineyard Scheme but it will apply to other residential developments where the accommodation is rented.

HON J BOSSANO:

Thank you, Mr Speaker, I wanted to clear that up because I think when the Hon Member introduced the Bill he gave me the impression that it was specifically designed for home ownership and my reading of it was that it wasn't. I think that if it is a question of encouraging development, I am not sure to what extent it can be demonstrated because it is not an easy thing to demonstrate whether the absence or the presence of rating relief to this degree does make a more than a marginal difference to the level of development, I think it is difficult to demonstrate one way or the other, really, unless one has got situations which are comparable in different periods of time when the relief is there and when the relief is not there and one can see a correlation between the two. I think if it is a question of encouraging development it would seem to me that, for example, on the present Bill as it stands, if somebody were to develop apartments for renting for the tourist industry presumably the apartments could qualify as residential yet if they built a hotel for the tourist industry the hotel would probably not qualify as residential and would get the other relief. I do not see that a case has been made by the Government for having a lower level of relief for some types of development than in others. I would have thought that it would be better to have a more flexible system which would allow the Government to encourage one type of development as opposed to another by giving them the freedom to decide to what extent they want to give rating relief to encourage a particular type of development. I can see that there are problems, I think, in one direction or another if you have got two different systems. I think the system at the moment as I understand it is the same irrespective of the use to which the development is going to be put by introducing a two-tier system unless it was a system that was specifically limited to owner occupiers, if the law said owner occupiers can get ten years as opposed to anybody else then that would be a clearcut and defined thing which would be specific and be clearly aimed at encouraging home ownership but I think the proposals of the Government, in my view, can create a bias towards the type of development which for other reasons might not be in the interests of the economy and therefore I would have thought

it was in the Government's own interest to have a more flexible system where they could decide in a particular area that if they wanted to encourage a particular type of development they can say: "For this type of development we are going to have rating relief for twenty years. For another type of development which we do not think it is in our interest as a Government to encourage, we are only going to give five years or two years or whatever". I do not think a strong enough case has been made by the Government, quite frankly, Mr Speaker, that this is the best way to go about it.

HON CHIEF MINISTER:

I think my Colleague will deal with the question of the comparison between business premises that will get development aid and a certain element of rent relief as distinct from this one. I am going to say now what I would have said in the Income Tax Committee Stage and Third Reading because we were dealing with that and that is that the Leader of the Opposition left a helpful letter which he wrote to me on the 9th November, it is being considered in all its aspects and being costed and we are not ready, really, to carry on with that now, so what I was going to suggest then but I think it is pertinent to suggest now because then he sees the rationale and that is that any relief that we can give under that whether to the extent that the Hon Member has suggested or not would have to be considered in the context of next year's estimates because it goes much further but I would rather have the Bill we have now, at least to carry on encouraging the people we have and then consider the others. I was going to say that at the Committee Stage but I think it is linked to this in a way because there is much more incentive, both what the Government is doing and what the Hon Member proposes, though perhaps we may not be able to go as far as that but there are some very good ideas there but it is being examined by the Finance Department and the Income Tax Department.

MR SPEAKER:

Any other contributors? Does the Hon Mover wish to reply?

HON A J CANEPA:

Yes, Mr Speaker, the Hon Leader of the Opposition raised the question of hotels. Hotel development, if they qualify for a development aid licence, the developer would get tax relief on the profits and also I think there is relief on the payment of import duty in respect of furniture and fittings, provided they are of a permanent nature. I think that the experience that we have had since 1981 in the operation of the new

development aid licence would lead me to believe that the relief that we are giving in connection with such developments or development for office accommodation and so on, would appear to be adequate. There are no indications that the relief is inadequate and that therefore the Ordinance is acting as a disincentive and we do have flexibility so as not to have to give 100% relief. Under the old Ordinance the fact that a development aid licence was granted meant that automatically the relief was 100%, now we are able to compare one project with another, but I am very conscious because of one or two, what I would term pilot schemes that are getting under way in the private sector on housing, I am very conscious because of the representations that I have received from individuals, from Action for Housing and so on that the payment of rates is becoming a very serious problem and where people are unable to get long mortgages, if they are only able to get a mortgage for 15 years the commitment that that entails together with rates is making a lot of young families think against it, so we thought that in the context of that this extra relief was timely and was necessary if home ownership is to continue to receive the impetus which it undoubtedly needs.

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

HON A J CANEPA:

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

#### THE GROUP PRACTICE MEDICAL SCHEME (AMENDMENT) ORDINANCE, 1984

HON M K FEATHERSTONE:

Sir, I beg to move that a Bill for an Ordinance to amend the Group Practice Medical Scheme Ordinance, 1973 (No 14 of 1973) be read a first time.

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

#### SECOND READING

HON M K FEATHERSTONE:

Sir, I beg to move that the Bill be read a second time. The purpose of this Bill is a very simple purpose. As everybody must appreciate in these days inflation is continuing at a percentage somewhere around 7% to 10% but in the medical world

with drugs the percentage is somewhat higher, it runs between 10% to 20% and since the Group Practice Medical Scheme should, as far as possible, be self sufficient it is necessary to increase the contributions to the Scheme. I think they were last increased two years ago, the intention now is to increase them to 55p by the employer, 55p by the employee and to 80p from 70p where the person is a voluntary contributor. The aim, as I have said, is to keep the Scheme as self sufficient as possible and, of course, those persons on supplementary benefits will be allowed to use the Scheme free of charge, that is the purpose of Section 2, increasing the figures £36.40 and £23.40 to £41.60 and £28.60. I commend the Bill to the House, Sir.

MR SPEAKER:

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

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

The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon G Mascarenhas  
The Hon J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon B Traynor

The following Hon Members voted against:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon M A Feetham  
The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J E Pilcher

The following Hon Members were absent from the Chamber:

The Hon A J Canepa  
The Hon R Mor  
The Hon E Thistlethwaite

The Bill was read a second time.

HON M K FEATHERSTONE:

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

This was agreed to.

THE FAMILY ALLOWANCES (AMENDMENT) ORDINANCE, 1984

HON DR R G VALARINO:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Family Allowances Ordinance (Chapter 58) be read a first time.

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

SECOND READING

HON DR R G VALARINO:

Sir, I have the honour to move that the Bill be now read a second time. Sir, the Family Allowances Ordinance was amended in 1982 to provide that where the child of a family is receiving full-time education abroad and even if they had attained the age of nineteen he may continue to be treated as a child for the purposes of the eligibility of a family to obtain family allowances. The large majority of children who continue their studies after the age of eighteen are those who go to the United Kingdom to undertake undergraduate or technical courses at universities or polytechnics and it is probably for this reason that the amending legislation was drafted at the time to cover children studying abroad only. There are, however, a limited number of children who continue in full-time education in Gibraltar after eighteen, eg those who re-take their 'A' levels, and their families are deprived of the advantage of the 1982 amending legislation. This anomaly has only recently come to light and the object of the Bill is for the House today to rectify the anomaly so that the Ordinance may apply to children who have attained the age of nineteen and are still receiving full-time education in Gibraltar.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, the Hon Member has made no reference to the point in the explanatory memorandum that only the first such child may be treated and it then talks about allowances which have already been accrued shall not be extinguished between the period of three months, what is the explanation for that, he has not mentioned that at all in moving the Bill because, in fact, if what we have got today is that the law today allows a claim to be made for more than one and this limits it to one, we are against limiting this. If that is not the case then we need an explanation because that is the impression created here.

HON CHIEF MINISTER:

Surely, the first child never counts, it is when there is a second child.

HON J BOSSANO:

Mr Speaker, in normal circumstances family allowances is paid for the second and subsequent children. Here it talks about only the first such child over nineteen. Well, suppose somebody has got twins, what does that mean?

HON ATTORNEY-GENERAL:

The present law on it is the 1982 Ordinance and this reads: Section 4(1)(b) "Where two or more persons in a family are persons who have attained the age of nineteen years and are undergoing full-time instruction in a school outside Gibraltar, only the first of those persons who is for the time being undergoing such instruction outside Gibraltar may be treated for the purposes of this Ordinance as a child". It is the first child under the present law and Clause 2(1B) of the Bill is a repetition of that.

HON J BOSSANO:

Can the Hon and Learned Member explain what the reference is to 'the allowances which have thereby already accrued shall not be extinguished before a period of three months after the Bill is passed'. What allowances may have accrued which will be extinguished?

HON ATTORNEY-GENERAL:

This is a Bill which I think it is something to do with the retrospective effect of the Ordinance, it goes back to the



1st September, 1984, and therefore anybody who has got a right under the old Ordinance, that is extinguished by this Ordinance. I perhaps misled the Leader of the Opposition, they used an amendment to Clause 2(1B) because that included within and outside Gibraltar - "at a school situate either within or outside Gibraltar", where of course, under the present law it is only outside Gibraltar.

MR SPEAKER:

Does the Minister wish to reply?

HON DR R G VALARINO:

No, Sir.

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

HON DR R G VALARINO:

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

This was agreed to.

THE ELDERLY PERSONS (NON-CONTRIBUTORY) PENSIONS (AMENDMENT)  
(NO 2) ORDINANCE, 1984

HON DR R G VALARINO:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Elderly Persons (Non-Contributory) Pensions Ordinance, 1973 (No 27 of 1973) be read a first time.

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

#### SECOND READING

HON DR R G VALARINO

Sir, I have the honour to move that the Bill be now read a second time. Sir, I gave notice at the last meeting of the House that the Government would be introducing legislation to revoke the provisions of the Elderly Persons (Non-Contributory) Pensions Ordinance. The object in doing so is to rationalise the Government's Social Security legislation. The rights of present and future beneficiaries under this Ordinance will be safeguarded by bringing them into a special category under the

Supplementary Benefits Scheme and in doing so the increases in the rates of benefits approved at the last meeting of the House will also be incorporated. Beneficiaries will have the added advantage that payments under the Supplementary Benefits Scheme are free of income tax.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, I note that the Hon Member has said that this, notwithstanding the fact that it comes into effect on the same day as the amending legislation that we passed at the last meeting of the House, and I am not sure whether that means that we are now repealing the amended Ordinance or the unamended Ordinance since the repeal of the Ordinance takes effect on the 25th December and if I remember correctly the amendment was due to come in on the 25th December, I am not quite sure how that operates. But apart from that I do not think we can be satisfied with what the Minister has said. Clearly, the fact that the people concerned will no longer have to pay tax will be welcomed by those affected who have been lobbying for many years to get this and the Government has consistently refused on the count that it was inequitable to give tax free payments to people who might have higher incomes than other people who are required to pay tax. Now it seems that we are doing away with the elderly persons pension and instead we are giving them rights which are not statutory rights and which presumably cannot be guaranteed. The fact that the Government is going to make some sort of administrative arrangement to pay elderly persons a pension under the supplementary benefits scheme is not something that gives them a right to a pension since there isn't a right to supplementary benefits and there is no legislation entitling people to supplementary benefits, as I understand it, if there is I would like to know what the legislation is because I have never been able to discover how the scheme is operated, that is, under what law or regulation it is operated. The answer that I have always been given in the House and outside the House is that it is done administratively. As I understand it, the whole purpose of supplementary benefits is to provide out of general revenue a means tested benefit. If the Minister had said that the rights acquired under the legislation that is being repealed is going to be protected and guaranteed and so are future rights of future potential pensioners then, presumably, they are going to have one kind of supplementary benefits which is means tested and another kind of supplementary benefits which is not

means tested. I think that that is not a satisfactory way to deal with the situation and we certainly will not support this because as far as we are concerned you are repealing a statutory right, replacing it by a non-statutory right in a means tested scheme where some people will be means tested and other people will not be means tested depending on how old they are. That, I understand, is what the Government proposes to do. Unless they can produce more convincing arguments we will oppose this and we think that, in fact, it is putting people back where they were before the Government introduced this scheme. I am not sure myself whether it was the wisest of things to do, with the benefit of hindsight, because there have been constant problems, I think, with the operation of the scheme and a great deal of dissatisfaction ever since it was introduced, people felt a sense of grievance because of the enormous disparity between the social insurance pension and the elderly persons pension. Before this came in, pensioners used to get supplementary benefits but they used to get supplementary benefits as a topping-up exercise on top of any other income. Presumably this is not going to happen now, they are going to get supplementary benefits as a right irrespective of income. I would have thought that the people who are in the lowest income group in this category will not have their position changed at all because, in fact, they are probably already getting means tested supplementary benefits, that is, if the supplementary benefit level is something in the region of £40 for a married couple, then a senior citizen couple who are both in receipt of elderly persons pension and nothing else would get £30 between them so they would then be able to get the extra £10 bringing them up to the level of supplementary benefits so they are going to be no different Mr Speaker. The people who are going to benefit are the people who have got income which would otherwise disqualify them for supplementary benefits. I think it is a very difficult situation for the Government to defend that somebody with a lower income may be denied supplementary benefits and somebody else with a higher income is given it and whereas in the case of the elderly persons there was a law giving people a right to an income purely on the grounds that they had reached a certain age, the situation on the supplementary benefits is a completely and utterly different thing and, in fact, in my judgement it breaks even more rules than the suggestion long resisted by the Government to bring them into the social insurance scheme.

HON A J CANEPA:

Mr Speaker, I do not want to go in public at this moment into any detail as to the reasons which have motivated the Government to bring a Bill to the House repealing the elderly persons pension. I introduced the original Bill that set up

the scheme and I did so for reasons which I considered were valid then and which remain valid today and were it not for certain dangers that have been pointed out to us I do not think the Government would have introduced the measure now before the House. As I say, I do not want to go into those matters, I understand that Hon Members opposite are aware fully of what they are, if they are not of course they can be made aware but my understanding is that before the Bill was brought to the House there has been some element of consultation. I only want to deal, Mr Speaker, with the aspect of supplementary benefits. As an incidental result of repealing the Ordinance and safeguarding the rights which existing elderly persons pensioners have acquired and also the potential rights which people who reach the age of 65 and who do not become entitled to an old age pension potentially now have, because it is intended to safeguard those rights as well, as a result of doing that and incidentally this particular social benefit for this group of people will be received free of tax, a considerable bone of contention and controversy in this House in the past. The question of means testing. Supplementary benefits were means tested up until November, 1972, without regard to the nature of the benefit and the basis on which the means testing was carried out was the household income thus an elderly person up to November, 1972, who had no income of his or her own but who lived with in-laws in a household in which the income would in all probability be above the limit laid down under the scheme, such a person was not entitled to receive any social benefit whatsoever and therefore that person was not getting from the State, either statutorily or administratively, any income that they could call their own and dispose of as they wished so such a person, a grandmother, for instance, wanting to buy a birthday present to her grandchild, would have to ask her son or her daughter for some pocket money to spend on her grandchild. When I discovered in 1972 that that was the state of affairs, I thought it was intolerable and I thought it went against all the principles of human dignity. So as a first step what we did was that the non-householders' rate of benefit which previously was means tested regardless of age for people aged over 65 or below 65, that was put on a separate footing so that the only income that would be taken into account would be the income of the individual and not of the householder and so in the intervening period there have been a number of beneficiaries aged over 65 until about 1976 or so because the Hon Member will recall that the elderly persons pension was originally fixed at 75 and any successive year was lowered to 70 and 65 so there were a considerable number of people getting the non-householders rate of benefit equivalent to the elderly persons pension on an administrative basis and once the elderly persons pension was introduced and lowered to the age of 65 that category of person was taken entirely out of the supplementary benefits scheme and the benefit became a statutory benefit

received by other people as well regardless of income, the condition being a residential one and the fact that they should not be entitled to an old age pension at the time in excess of the rate of benefit of the elderly persons pension. But even since then there have remained a group of people aged below 65 who, if they have no income of their own, can at present become entitled to the non-householders rate of supplementary benefit which is equivalent to the elderly persons pension and that can happen, for instance, in the case of people who for some reason or other are not working, let us say because they suffer from physical or mental infirmity and they are not at work or people such as an unmarried daughter or sister in a household who does not go out to work but she can become entitled to this benefit under the supplementary benefits scheme so that again the principle is safeguarded that they should have some income that they can call their own and not be dependent on handouts from the other members of the family. What is therefore happening here is that people are going to lose their statutory rights. The fact that this group of people will become entitled to supplementary benefits without means testing I do not think it matters, with all due respect to the Hon Leader of the Opposition, because the precedent is already there, a precedent exists and that is happening. But I see the validity of the point.

HON J BOSSANO:

Will the Hon Member give way? What supplementary benefit is paid today without means testing? I know the Hon Member says that before it used to be the household income and now it is the income of the claimant but, surely, the income of the claimant is taken into account in every case of supplementary benefit.

HON A J CANEPA:

Perhaps I should have said it the other way round, what I meant was that if the claimant has no income that is the end of the matter, the claimant becomes entitled to the benefit. The snag about the measure that we are taking, indeed, is that it is up to the Government of the day to determine, to decide that they want to continue to provide this benefit for future generations. The elderly persons pension would never, in my view, have become extinguished, there would always have remained a hard core of people. I don't know what they would have numbered, when the pension was first introduced the numbers were just over 1,000, I understand that they are now about 800 and it has only decreased by 200 in nearly ten years, I think there would always have been a hard core of people entitled to get the elderly persons pension who for some reason or other would never never get an old age pension and

so that hard core should remain under the supplementary benefits scheme and it will be up to future Governments to continue to provide for this category of persons if the supplementary benefits in future were to remain on an administrative non-statutory basis. I know what our commitment is, I think for as long as I am a Member of this House I shall be fighting for this category of people because I have been involved over the years in what has been done in their respect but it cannot be statutory right for the reasons that have been stated and we thought, in all fairness, that this was the most equitable and the only option that seemed to be available to us to try and safeguard their interests.

MR SPEAKER:

Does the Minister wish to reply?

HON DR R G VALARINO:

No, Sir.

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

The Hon A J Canepa  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon G Mascarenhas  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon E Thistlethwaite

The following Hon Members voted against:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon Miss M I Montegriffo  
The Hon J C Perez

The following Hon Members were absent from the Chamber:

The Hon Major F J Dellipiani  
The Hon M A Feetham  
The Hon R Mor  
The Hon J B Perez  
The Hon J E Pilcher  
The Hon B Traynor

The Bill was read a second time.

HON DR R G VALARINO:

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

This was agreed to.

THE NON-CONTRIBUTORY SOCIAL INSURANCE BENEFIT AND UNEMPLOYMENT INSURANCE (AMENDMENT) ORDINANCE, 1984

HON DR R G VALARINO:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Non-Contributory Social Insurance Benefit and Unemployment Insurance Ordinance (Chapter 113) be read a first time.

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

#### SECOND READING

Sir, I have the honour to move that the Bill be now read a second time. Sir, at the previous meeting of the House I also gave notice of the Government's intention to introduce legislation to revoke those provisions of the Ordinance which related to retirement pensions. These pensions are paid to British Subjects or other persons ordinarily resident in Gibraltar who were insured under the Social Insurance Ordinance and the wives or widows of such persons but who were unable to pay sufficient contributions because of their age to qualify for the old age pension under the Social Insurance Ordinance. No applications have been received for retirement pensions for the past three years and it is unlikely that any further applications will be received in the future. The relevant provisions have therefore outlived their usefulness and in order to rationalise our social security legislation it is proposed to revoke them. The provisions of the Ordinance relating to unemployment benefit will, of course, be retained. The rights of present and any possible future beneficiaries will also be safeguarded by bringing them into a special category under the supplementary benefits scheme and the increases in benefits approved at the last meeting of the House will also be applied.

MR SPEAKER:

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

HON J BOSSANO:

We object on the general principles of the Bill for the same reasons, Mr Speaker. Certainly we think that there is a need to up-date and rationalise social insurance legislation and certainly we think that this legislation has outlived its usefulness because I think there are something in the region of fifty people entitled to this particular benefit in the whole of Gibraltar and they are people who are fairly elderly and, as the Minister has said, no new applications have been received for three years but what we are doing is we are taking away a statutory right to a pension at a different level from the other pensions and we are going to create a different category of recipients of supplementary benefits and I do not think that exists anywhere else in Western Europe. What the Government is embarking now on is a supplementary benefits scheme which is non-statutory so nobody has got the right to any benefits from it where the claimants are either means tested or not means tested depending on their age and whether they were getting elderly persons pension or getting non-contributory social insurance benefits and therefore it seems to me that the operation of the supplementary benefits scheme as a result of the removal of this legislation will appear to be discriminatory and I think that the Government may well find itself challenged on that count because you have got a situation where different people are going to be treated in different ways and the Government will have to introduce administrative rules which discriminate between different categories of claimants depending on what they were receiving before they made the claim. We are in favour of doing away with this legislation and we are in favour of giving people a statutory right, perhaps giving them a right to the old age pension if necessary as there are only fifty of them anyway, but we do not think it is the right way to go about it to make them beneficiaries under the supplementary benefits which is only a promise on the part of the Government because there is no legal right to it anyway and which anybody can change in the future without having to come to the House to change it and we are opposed to it.

HON A J CANEPA:

Mr Speaker, I think that the possible objections are greater under the elderly persons pension than they are in this case because we are dealing with a benefit that would have been extinguished in time to come and therefore this category of persons will disappear from the supplementary benefits scheme altogether in time to come. In the previous case, in my view it was a case of Hobson's choice, there was very little that could be done. In this instance though there seems in my view,

to be greater logic behind what we are doing. The Financial commitments towards this category of people were and have always been met out of general revenue because they started to become entitled, I think, to what we have regarded as transitional pensions in 1960 before the Social Insurance Fund had been deemed to have grown sufficiently to be able to meet this commitment. The other thing the Hon Member may remember was that up until 1973, I think it was, the Government used to put in £1 out of revenue into the Social Insurance Fund. The Government thought that because we were meeting a commitment from revenue we should continue to do so through supplementary benefits. There could have been an alternative, an alternative, I suppose, could have been to pay them out of the Social Insurance Fund and for the Government to make an annual contribution into that Fund from general revenue equivalent to that amount but I think to have done that would have opened the door to other matters which we did not think we should allow, we didn't want to have established at this moment in time the principle of Government putting a contribution from revenue into the Social Insurance Fund. We think that the dangers of doing this at this moment in time are very serious. The Hon Member will recall that I think he asked me many years ago in this House whether the Government would consider putting the supplementary benefits scheme on a statutory basis. I am glad today that we were against it then as we are against it now because then instead of this being a scheme of social assistance which is not subject to EEC directives, if it were to be a statutory scheme it would be subject to EEC Social Security Regulations and the number of people that could potentially become entitled to receive supplementary benefits from Gibraltar could well be astronomic.

MR SPEAKER:

Does the Minister wish to reply?

HON DR R G VALARINO:

No, Sir.

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

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

The following Hon Members voted against:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon M A Feetham  
The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J E Pilcher

The following Hon Members were absent from the Chamber:

The Hon R Mor  
The Hon B Traynor

The Bill was read a second time.

HON DR R G VALARINO:

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

This was agreed to.

#### THE LANDLORD AND TENANT (AMENDMENT) ORDINANCE, 1984

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Landlord and Tenant Ordinance, 1983 (No 49 of 1983) be read a first time.

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

#### SECOND READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, rather unfortunately several printing errors crept in to the Landlord and Tenant Ordinance, 1983 and one of the objects of this Bill is to correct those errors. Mr Speaker, the first of these errors occurs in Section 23(6)(a) of the Ordinance which reads: "A tenant who without reasonable excuse fails to comply with subsection (4) shall be guilty of an offence". If you have a look at subsection (4) you will see that it reads: "It shall be a defence to a charge under subsection (3) if the tenant proves that the landlord's consent to the sub-letting to which the charge relates is unreasonably withheld", and it is quite

obvious, Mr Speaker, that the reference to subsection (4) is wrong and if you read the whole of Section 23 you will find that the reference in Section 23(6)(a) should refer to subsection (5) and not to subsection (4). Subsection (5) requires the tenant who sub-lets any part of a dwelling house to give the landlord a written statement specifying the particulars of the sub-letting and consequently the clear intention, Mr Speaker, was to create a criminal offence in Section 23(6)(a) if the tenant without reasonable excuse failed to give that written statement to the landlord and Clause 3 of the Bill corrects that. Clause 5 of the Bill corrects another rather obvious error which creeps into Section 29(3). If you read Section 29(3) it starts off: "If the landlord applies fails to comply with any of the requirements of this section he shall be guilty of an offence". Well, Clause 5 of the Bill, Mr Speaker deletes the word 'applies'. Clause 6 of the Bill corrects an apparent error in Section 30, subsection (1) of the Ordinance. Section 30(1) enables either a landlord or a tenant to apply to the Rent Tribunal to determine the statutory rent of any increase or decrease. The present wording of the Section, Mr Speaker, requires that any such application shall be made in the prescribed form and subject to the prescribed conditions. It is felt, Mr Speaker, that the words "and subject to the prescribed conditions" are superfluous. The form of application has been prepared and the form contains no such conditions and anyway the application is subject to the provisions of the Ordinance and it is felt that those words - "and subject to the prescribed conditions" - are superfluous. Mr Speaker, a whole line was omitted from Section 62(3) of the Ordinance. The missing line contains the words "by any member of the group for the purposes of a business". Clause 7 of the Bill corrects the error by inserting the missing words between the word "occupation" and the word "to" in the last line of Section 62(3). Clause 12 of the Bill corrects an error in paragraph 1(c) of Part 1 of the First Schedule to the Ordinance whereby - the statutory rent of a dwellinghouse or part of a dwellinghouse being a communal services tenement fixed at £40 per square per annum exclusive of rates. This should, of course, have been fixed at £40 per square per annum inclusive of rates. The principal amendment to the Ordinance, Mr Speaker, is made by Clauses 2 and 9 of the Bill. Following the publication of the Bill representations have been made concerning these two Clauses and it is felt that further time should be given to both the public and to the Government to consider these two Clauses further and for Government to consider the representations that have been made and, Mr Speaker, I shall therefore be giving notice that the Committee Stage and Third Reading of the Bill be taken at a subsequent meeting of the House. That will also give us the opportunity to consider

the amendments which have been put in today by the Hon Mr Baldachino. Clauses 10 and 11 of this Bill, Mr Speaker, are amendments consequential to the amendments made by Clause 9 and, of course, they will be dealt with at a later meeting. Clause 4 of the Bill extends the provision of Section 26(4) to include any son or daughter aged over 18 of a previous marriage of either the landlord or his wife. The present terminology is the landlord and his wife of the present marriage and we hope to put it back to include the children of a previous marriage. Clause 8 of the Bill replaces the present Section 69 of the Ordinance. By Clause 8 there should be implied every tenancy agreement that the tenant may not assign his interest without the landlord's written consent and that the landlord's consent shall not be unreasonably withheld. Further, the landlord may, as a condition of consenting to an assignment, charge a premium not exceeding the equivalent of two years' rent at the rate payable immediately before the date of the assignment. Further, the landlord may withhold his consent if the assignee intends to change the user of the holding. And, further, Mr Speaker, an assignee cannot materially change the kind of business carried on in the holding without the landlord's prior written consent. Clause 13(a) of the Bill makes it clear that the compensation to be paid to a tenant under Section 49(2) of the Ordinance should be paid on the basis of the length of time that a tenant has occupied the premises under his current and under any previous tenancy agreement. Generally speaking, Mr Speaker, tenancy agreements are for periods of five years and consequently it will be very rare, if the Ordinance were not amended, for a tenant to obtain the compensation specified in items 2, 3, 4, 5 and 6 of the Table contained in Part II of the Fifth Schedule. I do not think there is any need to read out Clause 13(b) of this Bill, which refers to another fairly obvious printing error, omitting the word "years" and substituting the word "years". Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON J L BALDACHINO:

Mr Speaker, as you well know, on the day that this Ordinance was brought to the House, I am not going to go into the controversial issues at the time of this date, what is clear is that we were against the Ordinance as such at first when it was brought to the House because we thought that the Ordinance as it stands does not go far enough as far as we

were concerned. I had the intention of proposing two amendments to the Ordinance at the Committee Stage because we think there are still certain loopholes in the Ordinance as it stands, Mr Speaker, and one of them is under Section 22 where a landlord would be able to de-control pre-war dwellings and we are certainly against that even though we agree that there should be some type of an increase if he has carried out certain alterations to the dwelling. On Section 39(1), Mr Speaker, I really think that it would be beneficial for the Government if they could keep a record of all the rents payable in the private sector and also that a rent book should be provided to all dwellings and not only in respect of pre-war accommodation but seeing that the Committee Stage will be taken at a subsequent meeting of the House I am willing to clarify any points or to go into more detail if the Hon Members opposite so wish me to.

HON CHIEF MINISTER:

Mr Speaker, there have been two Ordinances in the last couple of years that have had a difficult first, one is the Landlord and Tenant and the other one, of course, was the Matrimonial Causes Bill and we really want to get it right. I remember hearing Dennis Healey when he was Chancellor saying: "We must get it right this time", I don't know whether he did or not but we want to get it right this time in certain areas and that will bring about the inevitable postponement of the enforcement of the main Bill which we had intended to be the 1st of January, to perhaps the 1st of April being the first of another quarter and also give more time for those who have to be prepared for it. I think the amendments which have been proposed by the Attorney-General some of them are absolutely necessary and I think it puts the Bill in a proper footing and we will be looking at the amendments that the Hon Mr Baldachino has suggested between now and the Committee Stage. We will look at them and see whether we can meet any or all the provisions and, hopefully, we can get the whole thing reprinted as one so that people have only got one document to which to refer to their rights as tenants or as landlords.

MR SPEAKER:

Does the Mover wish to reply?

HON ATTORNEY-GENERAL:

No, Sir.

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

HON ATTORNEY-GENERAL:

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

#### SUSPENSION OF STANDING ORDERS

HON CHIEF MINISTER:

Sir, I have the honour to move the suspension of Standing Order No.30 in respect of the Specified Offices (Salaries and Allowances) Ordinance, 1984.

Mr Speaker then put the question which was resolved in the affirmative and Standing Order No.30 was accordingly suspended.

#### THE SPECIFIED OFFICES (SALARIES AND ALLOWANCES) ORDINANCE, 1984

HON CHIEF MINISTER:

Sir, I have the honour to move that a Bill for an Ordinance to make provision for the salaries and allowances to be paid to the holders of specified offices be read a first time.

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

#### SECOND READING

HON CHIEF MINISTER:

Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, in accordance with the Constitution there are certain officers whose salaries must be specifically mentioned in the Ordinance, they come under the provisions of the Constitution. I presume it is to keep a check on important peoples salaries and so on and this required retrospection in respect of the officers from the 1st July, 1983, to cover two years of review. The amendment in respect of salaries follows the pattern of the wages and salaries review in the United Kingdom which is on the basis this year of 5%. The allowances in respect of the Governor and the Deputy Governor are governed by the increase in cost of living locally which is 7½%. The salaries are, of course, equated under the parity basis with their corresponding grades in the United Kingdom. In respect of the Governor's salary it is equated to what is called Diplomatic Service Grade 3 but then a substantial amount is deducted from that salary because it is the only salary in Gibraltar that is free from tax.

MR SPEAKER:

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

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

The Hon the Attorney-General and the Hon the Financial and Development Secretary abstained from voting on this Bill.

HON CHIEF MINISTER:

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

This was agreed to.

#### THE LOANS EMPOWERING (1984/1988) ORDINANCE, 1984

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to provide for the raising of loans by the Government of Gibraltar in aid of the general expenditure of Government, and for matters relating thereto be read a first time.

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

#### SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time. There are two preliminary points I would like to make before dealing with the substance of the Bill which is, of course, the need for Government finance. First, I would like to dispel any suggestion that this Bill is part of the Brussels Agreement. Secondly, I would like to refute any suggestion that the Government is in imminent danger of running out of cash or, indeed, in financial difficulties. As the House will recall, during questions at the last meeting I suggested that Government revenue for the year 1984/85 might be marginally higher than we had estimated in the budget. Expenditure in the year ended 31st March 1984, was rather less than we expected and there was a corresponding boost to the reserves in the Consolidated Fund. Taking account of the

latest forecast of revenue and expenditure I would still expect that the reserves in the Fund will be in excess of £3m at the end of the current financial year. However, the accounts for 1983/84 reveal that after allowing for contributions to the Funded Services in the Improvement and Development Fund, the deficit for the year was in excess of £4m and the reserves reduced by that amount. As the House will know notwithstanding the measures which were taken in the budget to reduce Government spending and raise revenue, the forecast is for a similar reduction in the reserve for this financial year. I do not think it is necessary for me to go into great detail about the background of the situation, Mr Speaker, it has developed because the Government revenue has been insufficient to sustain the necessary levels of Government expenditure on the one hand and the situation has been aggravated by the effects on the economy of the partial opening of the frontier and the MOD rundown especially the closure of the Naval Dockyard. It will therefore be necessary for the Government to seek additional finance during the next two or three years to meet a short-term deficit position. It is not possible at this juncture to say precisely when the Government finances will move into deficit. I hope the position will be clearer by the time when estimates for 1985/86 are presented to the House and moreover the need for Government finance will be affected by the correction of the two sources of aggravation I have referred to which is to say that normalisation of traffic at the frontier will in due course have a beneficial effect on the economy and on Government finances. Secondly, the build-up of activity and employment in Gibraltar Shiprepair will likewise compensate the effect of the closure of the Naval Dockyard. I will mention these developments again in a minute, Mr Speaker, but first I would like to say something about the action which the Government has taken and will be taking as far as Government spending, generally, is concerned to reduce the size of any possible deficit. Although Government expenditure increased substantially during the four years between 1980/81 and 1983/84, the estimates presented to the House this year showed a reduction in money terms even after discounting the contribution to the I & D Fund of £1½m, a reduction under the previous year. In real terms that in itself represents severe restraints. In a modern democratic welfare state it is notoriously difficult to reduce Government spending in the short term and few Governments find it possible to do more than hold Government spending to the existing levels, in real terms, when they find it necessary to do so. There are certain services which are provided by Government in a modern democratic society; welfare services, health services, education, and there are certain standards which are expected of a modern Government which cannot be significantly reduced. Moreover some services by their nature; health, medical services, are or tend to be



increasingly expensive in real terms. Nevertheless, as I say, the Government has taken measures to reduce spending. Also the Government has taken measures in connection with the finances of the Funded Services with a view to putting these on a sound financial basis and as the House will recall the element of subsidy included in the budget for 1984/85 is only about 40% of that for the previous year and it will continue to be Government policy that as far as possible the fused municipal services should bear the economic cost of it. Furthermore, the Government will continue to exercise close control over the level of Government spending in future and steps have already been taken by Ministers to ensure that Controlling Officers in charge of Departments when they prepare their estimates for the current financial year, as they are now doing, prepare these against the background of Government policy and Government instructions as to how they are to be prepared. This is not to say that there will not be a need for some increase in Government spending, for example, in connection with the measures which may have to be taken following the Brussels Agreement to which I referred this morning or for other reasons, perhaps, demographic or changes in demand related circumstances. I won't at this stage anticipate the detail of estimates which will be presented to the House, I merely say that they are being prepared against this background. I said I would refer to the effects on the economy and on Government finances of normalisation at the frontier and the build-up of employment and activity in Gibraltar. In exchanges at Question time with the Hon Leader of the Opposition this morning I said three things. First, that Government finances were not highly sensitive in the short term to the effect of the full frontier opening and the reason for that is simply that it will take time for the effects of increased trade and tourist traffic to work through the economy and for the increase in indirect revenue to register. Secondly, there is, as I mentioned this morning, the possibility that the Government will wish to take action on a range of import duties in order to stimulate the economy in the new circumstances. Thirdly, it is indeed probably that the net effect in 1985/86 on Government cash flow will be negative but the benefits could be felt in the following and subsequent years. As regards employment in Gibraltar, a great deal will depend on the speed with which Gibraltar can build up activity. Employment at a level of about 500 is expected at the beginning of January, 1985, and numbers are expected to increase to 800 during that year and to progress to this and, indeed, to employment levels of 1,200 which has been regarded hitherto as the desirable level for the successful commercial operation is less certain, the timing is also uncertain. Taking these factors into consideration, Mr Speaker, it is likely there will be a need for Government deficit financing within the range of £5m to £10m over the next two to three years. The purpose of the

Bill is to enable the Government to raise the necessary finance. The Bill provides for a mixture of local debentures and commercial borrowing which was the form adopted for the 1982 Loans Empowering Ordinance. The Government intends initially to make available a further issue of debentures on the same terms and conditions and with the same interest rate as the final tranche issued under the 1982 Ordinance. The issue of £4m made under that Ordinance is now almost fully subscribed and this means of raising finance has certainly proved to be very popular both with private persons and with institutions. Naturally, I cannot guarantee that the interest rates will remain at 10% for every subsequent issue of debentures because this will clearly depend on the trend of interest rates generally. This is not clear, if it were we could all no doubt make our fortunes by speculation, but the high level of interest rates, higher in real terms than for more than fifty years is something which is of concern to the international financial community and Hon Members will know that the Chancellor of the Exchequer in the United Kingdom is on record as saying that this will be a prime objective of his Government's policy if not that of the US treasury to bring interest rates down. Nevertheless, estate and tax duty free debentures at 10%, which will be the basis to the first tranche to be issued provide an excellent vehicle for investment by members of the public. I know that those with terminal gratuities have made use of it in the past and I hope they will continue to do so. In choosing this medium of borrowing the Government has also had regard to the amount of debt already raised by debentures and the amounts which will be maturing the next year or so. In particular there is an earlier issue of £1m which is due for redemption at the end of 1985 and the Government has had regard to this. That leads me to say something about the effects of increased borrowing on public debt charges and, indeed, on the amount of public debt. The Government's debt policy has been on the whole rather conservative, I think, in recent years and I think the ratios that one can apply to debt charges as a percentage of public expenditure or indeed public debt as a percentage of gross national product, when compared with those of other western countries compare very favourably indeed. Debt charges this year are approximately £5m which is rather less than 10% of Government expenditure. They will, of course, without the extra finance which the Government is now proposing to raise, increase because of earlier borrowings and in forecasts which were prepared earlier in the year it seemed that they were likely to rise to a peak of about £7m in 1986/87. Because of various changes which have taken place since the deferment of the raising of the second tranche of debt by means of the Hambros loan and also the spreading out of the issues of debentures, that peak is likely to be rather less but nevertheless it does give rise for some concern and I am therefore exploring with the financial institutions the possibilities

of re-financing with a view to spreading the debt more evenly. Naturally, it is not a sensible policy to have one's debt peaking, the redemption of one's debt peaking in a certain year, it is a sensible policy to spread this out as far as possible. The discussions I will be having will be with a view not to increasing the amount of public debt but to spreading the incidence of debt charges towards the end of the decade. That is the first point I would like to make. I should have also said that the re-financing I have in mind would reduce the peak from £7m to about £6m even with the addition of a further £5m of debentures which is one of the prospects which the Government has in mind under the present Bill. As I said, £5m which is rather less than 10% of Government spending, compares very favourably with the UK. The UK interest only on debt is about £14 billion out of the total general Government spending of £140 billion so I do not think that puts Gibraltar in a position of financial imprudence. Secondly, comparing actual totals of public debt, again comparing Gibraltar with the UK, the national debt in the UK is approximately £120 billion which is, roughly speaking, half of UK GDP. Gibraltar debt at the moment is less than £30m and even with the addition of £5m of debentures which should take it just over the £30m mark, we are still comfortably below the figure of 50% for public debt as a proportion of GDP, the figure is, I think, nearer 40%. We do not, at this juncture, Mr Speaker, propose to proceed with the negotiation of a commercial loan with any of the financial institutions but I am certainly holding discussions with the banks who have friendly relations with Gibraltar and who are certainly anxious to help us all they can at this difficult time. The initial measure under the Loans Empowering Ordinance will be the issue of debentures and we will see how the issue of debentures go before we contemplate other measures. Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

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

HON J BOSANO:

The Hon Financial and Development Secretary, Mr Speaker, knows that we are against this because we have told him already before he brought it to the House, no doubt this is the reason for his lengthy justification of the Bill, because there has never been an attempt to justify a Loans Empowering Ordinance to that extent before in the time that I have been here nor have any of the arguments that he has used today ever been

used before in this House, in fact, he is contradicting what every Financial Secretary has said in the House of Assembly since I arrived in 1972. It has made me wonder, Mr Speaker, whether one can put a lot of credence on what Financial Secretaries tell us if it is possible for them to say such fundamentally contradictory things. Let it be clearly understood exactly what this law is doing. It is for the first time in our history that we are borrowing money to meet the running costs of Government. Every previous loan has been for capital expenditure, that is how serious this is. The Hon Member may say that the United Kingdom has been doing it for years. He may also say Argentina has been doing it for years as well and look at the state Argentina is in with its debts. The difference between us and the United Kingdom, Mr Speaker, is that the United Kingdom has got real assets like North Sea oil and we have not got anything except a bare lump of rock and a Shiprepair that loses money, and a frontier that takes all the money out of the economy, all our assets are full of holes, Mr Speaker. The situation in Gibraltar is that in 1972, and the Hon Member talks about conservative policies, in 1972 we had reserves when the Government was elected to power, when they came back into office in 1972, we had reserves in the Consolidated Fund of £1.4m and annual expenditure of £5.6m. The reserves were 25% and a debt of £3.9m and the Chief Minister went on television and said we were so poor that we could not even afford the 40p that was being offered by the Government in 1972 with reserves that were three months and with a debt that was only 2.8 times the level of our reserves. What is the situation today? The situation is that our reserves are nil, we have got no reserves at all left now because the Hon Member may say that he still expects to have £3.7m and I asked him a question in the last House of Assembly about how much cash he actually had in the Consolidated Fund and he chose to answer how much cash he had in the Improvement and Development Fund instead and to say that the Government's cash position was its total cash position irrespective of which of the two Funds he was talking about. Well, the situation, Mr Speaker, is that in 1972 when the Government came into power, the £1.4m did not include any unpaid bills because the municipal services were not funded and the revenue was credited to the Government account when it was received and not when the client was billed. On the same basis as the reserves were calculated in 1972 and 1973 and 1974 and 1975 and until 1976, on that basis we have no reserves. What we have got is unpaid electricity bills, unpaid water bills and unpaid this and unpaid the other. The situation is, therefore, that from a reserve equivalent to thirteen weeks expenditure twelve years ago, we have now at the end of this year no reserves. From a debt of £3.9m we are now approaching £30m and the Government comes with a Bill asking for another £10m. We cannot afford it, Mr Speaker, we cannot afford to

borrow this money, we cannot afford to service it, we cannot afford to pay it back and what is even more pernicious is that whoever is unfortunate enough to be over there in 1988 is the one who is going to have to pick the bill. I think on this occasion, with £40m of debt hanging around, the Chief Minister will definitely retire. We are totally opposed to this Bill, we think the Government is not tackling the economic problems that they knew they were going to face when they went to an election in January because let us be clear about one thing, the Hon Member has mentioned the Dockyard closure as one of the factors affecting the economy of Gibraltar. The Dockyard hasn't closed yet, it closes at the end of the year. The Government has not yet felt the effects of the Dockyard closure, the effects of the Dockyard closure will start being felt on the 1st January, 1985. Throughout this year people have been working high overtime levels in the Dockyard and pumping income tax into the Government coffers. The situation of the partial opening of the frontier which has been the adverse effect mentioned by the Financial and Development Secretary, well, all I can tell him is that if he chooses to look at page 257 of the Hansard of July, 1983, he will find that the Minister for Economic Development said that the pedestrian opening of the frontier was costing the economy £200,000 and that the full opening might well cost it £2m. He will find that on page 257 of July, 1983, Hansard and I am quoting the Minister for Economic Development and Trade. In fact, if he thinks that today the economy is in the desperate state it is because of the Dockyard closure that hasn't yet happened and because of a pedestrian opening which is only one-tenth as bad as the full opening which is what is about to happen, then I think he will have to come back for another £10m. The situation, Mr Speaker, is that the Government rather than face the problems of the economy, is pushing them off into the future in the hope that some miracle will save them, in the hope that somehow commercialisation will produce a queue of ships from here to Greece, in the hope that when we are inundated at one end of the Rock with Greek ships, we are inundated at the other end of the Rock with the people from the Costa del Sol and Spanish nationals all of whom will come in here and presumably when they buy their transistor radios find that they cannot take them back either because the Spaniards have decided that if we only let one loaf a day come this way they will only let one bit of a transistor go the other way or because the duty on the transistors will be such as to make it totally uncompetitive in the Spanish market. The Gibraltar economy has been going downhill on a mountain of debt for the last four years, Mr Speaker. In 1981 when we had the last Loans Empowering Ordinance, I warned the Government at the time and it is recorded in Hansard, that I had been always a strong advocate of financing capital investment by debt rather than by

contributions from general revenue but that it seemed to me that when they were finally deciding to take my advice was when they shouldn't take it because they were deciding to do it after the July White Paper came out in 1981 which pointed to the possibility of a Dockyard closure. What has the debt of Gibraltar done? Well, Mr Speaker, what it has done is it has shot up since 1981. We had a situation where public debt, as I mentioned, was £4m when the Government came to power twelve years ago and, in fact, in their first year in office they actually reduced the public debt, in their ten in office, Mr Speaker, with annual expenditure of £5m, with reserves which were three months, they actually were repaying debts when they could afford, in fact, to finance capital expenditure by loans rather than by using up recurrent revenue. The national debt rose very slowly in those ten years between 1971 and 1981, it went from £4m to £5m in 1975, to £6m in 1978 and to £8m at the beginning of 1981.

MR SPEAKER:

I see that you are warming up the subject, are you going to take a little longer?

HON J BOSSANO:

A little longer, yes.

MR SPEAKER:

We will now have a short recess for tea.

The House recessed at 5.15 pm.

The House resumed at 5.45 pm.

HON J BOSSANO:

Mr Speaker, I was pointing out what a change in policy this represents particularly because, as I have mentioned, we are talking about borrowing money to meet recurrent expenditure. The only way the Government could justify the decision that they have taken to borrow this kind of money, and we are talking about £1,500 per household in Gibraltar that is being borrowed to meet the running costs of Government, if they could say how they expect to pay that, where do they expect the increases in revenue to come from to pay the interest and pay back the capital on top of their existing loans? The Bill, as do Loans Empowering Ordinances normally, states that the repayment of the money and the interest become a charge on the statutory expenditure of the Consolidated Fund. The charges that are made on the Consolidated Fund are the ones that the

House doesn't vote and already in this year's estimates the public debt charges came to just over 10% but the Consolidated Fund charges as a whole were 17%, so already over 17% of our expenditure the House of Assembly has got no control because in fact it is a statutory obligation provided for under the Financial Procedures Ordinance. The Constitution of Gibraltar, Mr Speaker, makes the Governor of Gibraltar and, by implication, Her Majesty's Government, responsible for the economic and financial stability of the territory. We consider that this undermines further the financial stability of the territory, this puts a burden on public expenditure because the Government has got a situation where it is finishing the year with expenditure in excess of revenue running to £4m and it is obvious that it doesn't expect the situation to get any better in the years ahead. When the Hon Minister for Economic Development and Trade came on television after the budget in March with me, I asked him at the time - what was the Government planning to do this budget because they had faced a budget where they were reducing the reserves from £7m to £3½m and it seemed to me that, if anything, the situation in 1985/86 would be worse than 1984/85 if everything went smoothly and if the commercialisation got off the ground from day one which it is now going to do because, as everybody knows, it has been possible to reach an acceptable agreement, acceptable to both the management of the yard and the workforce of the yard, an agreement which gives people higher wages than had been anticipated and consequently will produce more income tax for the Government than had been anticipated, so that to some extent will ameliorate the situation for them but we are still talking about small money compared to the kind of money the Government was getting before from the Ministry of Defence expenditure in the Naval Dockyard. We have therefore a situation, Mr Speaker, where the Government having been re-elected after three terms, at the beginning of its fourth term is borrowing money to carry it through to 1988 but is not able to say other than the hope that eventually the full opening of the frontier, eventually, because I do not think there is any doubt after the answers we got to earlier questions that there is likely to be a net revenue loss certainly in the first year, possibly in the second year. To what extent that revenue loss, that is, to what extent the expenditure created by a full opening will be greater than any revenue created by the full opening is an unknown quantity but certainly the Government view, as I mentioned in the contribution by the Minister for Economic Development when we were discussing the agreement on the Dockyard commercialisation brought back to the House in July, 1983, the Government view coincided with ours.

HON A J CANEPA:

If the Hon Member will give way. Did he say page 257?

HON J BOSSANO:

That is right, Mr Speaker.

HON A J CANEPA:

The Hansard of the 6th July, 1983, I take it?

HON J BOSSANO:

July, 1983, yes.

HON A J CANEPA:

Volume II?

HON J BOSSANO:

I imagine so.

HON A J CANEPA:

Page 257?

HON J BOSSANO:

Yes.

HON A J CANEPA:

No.

HON J BOSSANO:

Well, I will quote what it says, Mr Speaker, and then perhaps the Hon Member may remember.

HON A J CANEPA:

I am not doubting it, I am just trying to read it in the context.

HON J BOSSANO:

Mr Speaker, it might have been, perhaps, when the Hon Member was speaking about the pedestrian opening because it was in the context when he said that perhaps the pedestrian opening was not such a bad thing because in fact the pedestrian opening, and he said he tended to agree with me, might have a smaller revenue loss than the full opening might have although in the longer term the full opening was expected to produce results.

HON A J CANEPA:

I agree with the Hon Member. I have said words to that effect. Since he did quote the page from Hansard I tried to get the exact record of it, he may well be right that it was in the context of a debate which probably took place here early in December, 1982, or November, 1982, but it is always useful to be able to read exactly what one said in the context.

HON J BO-SANO:

It was in that context, Mr Speaker, where the Hon Member was in explaining the Government's reaction to the pedestrian opening he said that, in fact, the pedestrian opening according to the Report that the consultants had done, and I think it is a Report that we have both read, that the pedestrian opening might because of the limitations on what people could spend in Spain and what people could bring back from Spain, might in fact be less damaging than a full opening might be because a full opening, according to the experts, is likely to have a negative effect in the initial stages and the argument, I think that the experts used was that even if there was a potential gain through a major increase in visitors across the land frontier it would take time for the economy to adjust to that situation and for the economy to develop in a way where those visitors could be serviced and produce revenue and it was in that period of adjustment that the effect was likely to be negative rather than positive. To what extent it will be positive eventually and how long it will take, that is totally unknown and it is not the basis, I would submit, Mr Speaker, on which one can say with confidence: "I am borrowing money today because I know I can predict with a fair degree of accuracy that my revenue is going to increase faster than my expenditure after 1986 or after 1987". If the Government was able to say that to us, if the Government was able to say: "The reason why I am bringing the Bill to borrow the money is because I have done my sums and I have looked at the situation and we have got a projection going into the future which says our expenditure is programmed to go up by so much a year and our income is programmed to go up by so much a year and we expect to be in surplus in 1987 and because we are going to be in surplus in 1987 what we are going to do is start repaying then". When we are talking about raising money for capital expenditure the argument has always been that you don't burden the cost of a project which is going to be producing a benefit for the community over a number of years on the people who happen to be at the moment the taxpayers and the users of that particular product and that is the reason why you have got a situation where you raise loans finance, for example, capital investment in the Generating Station and then you charge the Generating

Station or you charge the Electricity Fund over a period of years and the regulations governing the fund, Mr Speaker, in fact, require the Financial Secretary not to start charging the Fund until the assets start producing revenue so that if, for example, the Government is going to charge for a desalination plant they do not charge the fund until the desalination plant starts producing water and the water starts being sold. That is the logic of that so you are spreading the cost over the future but we are not doing this. What we are doing here is we are putting the cost of running Gibraltar today on to the people who will be the taxpayers X years from now, the cost of running Gibraltar today. I think the Government has got to face facts, they have got to face that they have got an extremely difficult, an extremely dangerous and an extremely fragile balance today between income and expenditure and whatever the Hon Member may say, in our judgement the Brussels Agreement will put additional pressure and how much of an additional pressure there will be will depend to some extent, Mr Speaker, on whether the Government will be able to do some of the things that they have said in answers to questions. Their interpretation is that they will still be able to exercise a large measure of control and protection of local jobs and local businesses in spite of the Brussels Agreement, that will have to be tested. If it isn't that then the situation will get much worse. In that context it is the British Government that should have been faced with the situation that we have in Gibraltar and it is the British Government that should have been told that in the aid that they had given already there is no margin for meeting the kind of cost that Gibraltar will be facing and no margin for meeting the kind of deficit the Government is already experiencing. All that we are doing is to put off the evil day of reckoning, that is all we are doing and we will not be a party to it nor we will accept responsibility. The British Government at the end of the day is ultimately responsible for the economy of Gibraltar because we are a dependent territory and we just cannot be a dependent territory to be told what to do, we must also be a dependent territory for the good things as well as for the bad ones. We are totally opposed to this and we want to make it absolutely clear that we consider this to be a further nail in the coffin of Government finances and of the economy of Gibraltar. This will make the balancing of the budget in the years to come even more difficult. It is quite obvious that there is no way the Government could have come along in March next year and raise £5m, that was obvious in March this year. It was obvious in March this year to us, Mr Speaker, that with the Government already facing a deficit this year without the problems created by the Dockyard closure having gone through the economy yet, their problem was going to get worse. If the

Government was at the point of having completed an electoral period it would be reasonable and sensible to say: "Well, they cannot really introduce any radical changes in the structure of Government or in any other area of the economy to try and pull the economy round because there would be an election shortly and they might not be returned and the people who might come in would then be landed with a programme which they may not agree with". But this is not the case. If they are at the beginning of their term of office all they can think of doing is borrowing money to keep on pouring into a bucket which is full of holes so that the money will simply fall out at the other end because we are not talking about improving services, the Government is so desperate that it is even having to charge for the examination expenses now. What prospect do we have over the next three years? What happens if the situation gets worse and the £10m is not enough? Do we borrow more and we keep on borrowing more? This goes contrary, Mr Speaker, to every argument that I have heard in this House since I arrived here in 1972 and not one word of explanation has been given why this is now permissible and it was anathema to every previous Financial Secretary and that explanation needs to be given.

HON CHIEF MINISTER:

Mr Speaker, I have been listening carefully to what the Leader of the Opposition has said and I was hoping that he would try and suggest what should be done but, of course, he would probably say that that is in the economic plan which has never been revealed and would only be revealed six months after coming into office. It is a difficult situation and anybody who says anything different would be attempting to hide the situation. I cannot understand how he said towards the end of his contribution that the partial opening of the frontier hasn't got through yet to the economy, of course it has got to the economy, it has had a great effect on it. The Dockyard is different, what has happened with the Dockyard is that there was whilst the uncertainty was there, whilst people didn't know what was going to happen, savings went up considerably in Gibraltar because people were not certain of the future. Once the blacking was withdrawn and once the agreement much earlier, of course, the agreement was a much later event which we welcomed, of course, people started to use their savings again, that is why there have been in certain areas of the private sector an improvement in the economy. A lot of traders tell you that there has been improvement since after the 25th April when the agreement was reached not to carry on with the blacking. The people had confidence, the people were saving money because they didn't know what was going to happen with the Dockyard. Whatever the economists say, patterns of expenditure are unpredictable and that is what has happened to some extent and,

therefore, of course the Dockyard will not provide the same economic benefits that it did before, it couldn't, but when the Hon Member starts talking about monies and relative values and what the position was in 1971 and what the position is now, you have to take into account the fact that the purchasing power of money has gone down, in fact, I am not very used to quoting things but I have got the abstract of statistics here and a pound in 1971 was worth 24p in 1983 which means that you have to multiply by four in order to get the equivalent sum now, when he was talking about £4m and so on. That is a factor that he has not taken account of.

HON J BOSSANO:

Mr Speaker, if the Hon Member will give way. Surely, if he wants to adjust for inflation the debt, he must adjust for inflation the reserves and I was quoting that he had in reserve £1.4m which was 25% of expenditure in 1972, he ought to have about £10m or £15m now if he adjusts for inflation.

HON CHIEF MINISTER:

But we had £7m in 1981. The question is that the factors of the economy changed and the situation has to change and the measures that have got to be taken to meet the particular circumstances have got to be taken into account. Of course this is not directly relevant, but against the monetarist policies of the Conservative Government in the United Kingdom, what is the Labour Party's economic policy? Borrowing more, they say so quite clearly, to borrow more for increased expenditure. It is certainly not so unorthodox in a situation such as we are I have no hesitation in stating that I think that the proper commercialisation of the Dockyard and the full opening of the frontier are two things which are likely to have a longer term from the point of view of revenue of the Government much longer than in the business side, I think the business side, particularly the tourist industry, will benefit much more immediately on the normalisation than the Government's revenues but then the burden on Government revenues may be lightened by that, too. Of course we have to bridge the gap that has to be covered, of course we are doing that with our eyes open, naturally, but come two or three years, perhaps 1986/87, things will start to pick up again and we will be in a better position to deal with these matters. It is the first time that we have had to do bridging finance for recurrent expenditure and in respect of loans for capital expenditure I have always been of the view, unfortunately or fortunately, other people have advised the contrary, in the City Council all capital expenditure was on the basis of loans. We have had to burden the economy with heavy new expenditure on capital which has added to the burden but I do not see the future as black as the Hon Member does, I see the future with

confidence because I am quite sure that we will make it and we will make it and we will be able to improve our economy. It is very difficult to say: "Well, how do you prove that?", you cannot prove it. We cannot come here and say: "By 1986 or 1987 we will be on surplus", but by God we have to be on surplus, we have to be, and we will be able either in 1985 or 1986 or perhaps 1987 but we believe and that is why we have been able to seek the approval of the Foreign Office who are conscious of the situation and who as the Hon Member has said underwrite ultimately the economy of Gibraltar and honour these debts and they have been quite happy about this matter or rather, they have been quite condescending in saying that we could have the loan powers. As far as we are concerned we do not see the future with the trepidation and the concern of the Hon Member, I am not an economist but I have a little sense of what could happen.

MR SPEAKER:

Are there any other contributors? I will then call on the Mover to reply if he so wishes.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Thank you, Mr Speaker. I do not want to say very much in reply to the Hon Leader of the Opposition's comments but I think I must ask him and, indeed, the House to consider this matter in proportion. It is not my place to get involved in political controversy, Mr Speaker, nor can I be answerable for what previous Financial Secretaries may have said in the House in the circumstances in which they said them. Whether they would take a different view from that which I am now taking I don't know, I think probably not but there are some points I ought to answer because the Hon Member has said: "How are you going to foot the bill and whence are you going to find the revenue to meet these charges?" That suggests that the increases are in some sense inordinate or that we are making enormous claims on the Consolidated Fund. I can assure the House, Mr Speaker, that we are not and the fact is that assuming that we were to make no further borrowing at this stage or we were not to contemplate any further borrowing beyond what we have already arranged, our debt charges would peak in 1986/87 at a figure just under £7m whence they would decline steadily during the remainder of the decade and, indeed, I have made projections right into the 1990's whence there will be two further general elections, at least so I assume, and again on existing trends the debt charges would reduce in money terms steadily to a figure of less than £1m by the mid-1990's. What we are proposing to do with the additional help from re-financing, which I mentioned in my speech, will even out debt

charges so that they remain below £6m throughout the remainder of this decade, that is to say, the issue of a further £5m plus re-financing so in no sense can this be regarded as an inordinate burden on public expenditure, it is a very small increase. We have taken steps to even out the peak of debt charges and that is what debt management is all about, one maintains one's debt charges as nearly at a constant level as one can and, indeed, I could add to that that we are talking about adjustments for inflation. The debt charges in money terms will remain, as I have said, but they will be reduced in real terms by any inflation which will erode their value, of course, and again this is what debt management is all about. The second point I would like to make in reply to the Hon Member is that he has drawn a distinction between capital expenditure and current expenditure saying that the one he is in favour of and the other he is not as far as borrowing is concerned which I don't think is altogether valid when one considers that the capital expenditure as such for which Government has raised finance commercially and, indeed, by the issue of local debentures, is very largely in support of the Government's social policies. A great deal of this expenditure has been housing and has been on schools and has been on health service, something like £8m or £10m during the past four years and this, of course, is providing a service which is what Government expenditure is for, I do not think that his distinction between current expenditure and capital, the one being vicious and the other virtuous is altogether valid in economic terms but I will allow him to express his view on that as no doubt he will allow me to express mine. I must, however, point out that at an earlier stage, Mr Speaker, when an earlier Government borrowing Bill was in fact under consideration by the House, it was the Loans Empowering Ordinance in 1982, that the Hon Member did speak about public debt and I quote, he said that: "The situation which is envisaged where the public debt of Gibraltar is going to be increased 200% would for many people seem to be very imprudent, to go from £8m to owing £24m many people would consider it to be highly imprudent". The Hon Member said: "I don't think it is imprudent but there are those who would so I want to make quite clear that I do not, in fact, support restrictive economic policies and reduced Government spending". I think I find difficulty in reconciling the Hon Member's statement.

HON J BOSSANO:

I suggest you read the rest of what I said, Mr Speaker, then he will find that I went on to say "but".

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Hon Member went on for two pages, Mr Speaker, and I feel that I might be trespassing on the patience of the House if I quoted it all but he did declare himself, he said: "Ideologically I am against that because I believe in economic expansion and I believe that the logic can apply to the private sector, etc, etc", and he referred to an occasion when he tried to persuade the Government to take advantage of the slack created in the construction industry, etc, etc. By maintaining Government spending and the spending will be by the Public Works Department as well as other Departments, we are in fact doing just that. The alternative would be further contraction in Government expenditure which would have an adverse effect on the economy.

HON J BOSSANO:

Mr Speaker, if the Hon Member will give way. In 1982, the last time the Government brought a Bill to the House seeking borrowing powers, we had a situation where in the preceding ten years the public debt was virtually unchanged, it went up marginally, I have quoted figures. The Government, successive Financial Secretaries and the Hon Member may say he is not responsible but he is speaking on Government policy in this House. The other Financial Secretaries were also speaking on government policy, it has been the same Government all the time although different Financial Secretaries and the Government's view throughout that period was contrary to what the Hon and Learned Chief Minister has said. He said in his City Council days all capital expenditure was financed by the issue of long term debts related to the life of the asset and I support that philosophy. The Government was not doing that between 1972 and 1982, they had a sudden conversion at the worst possible moment because it was when ODA money dried up, the Dockyard closure was envisaged and the economy was facing serious problems. We had many periods before that when it would have been easy and safe to borrow and the Government was dead against it. Now we are going into a situation where our debt today is higher than ever before and for the first time in our history it isn't the same to say: "I am going to borrow money to build a hospital which has got a fifty year life", and to say: "I am going to borrow money to pay the doctors' wages", how can it be the same thing, Mr Speaker?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

As I have said, Mr Speaker, I do not accept the distinction between capital and current expenditure which the Hon Member has drawn but enough for that. The other point he made, I

think, was on the question of reserves and I must again make the point that simply because there are a certain amount of debts owing to the Government in respect of municipal bills, it does not mean that the value of the Consolidated Fund at any particular time when the balance is drawn is reduced by the amount of debts in cash terms. We must bear in mind that there is a further element in the calculation which should be taken into account, namely, the speed with which one recovers debts so I think it is unfair to argue that a balance in the Consolidated Fund is reduced in cash terms by the amount of any outstanding debts.

HON J BOSSANO:

The Hon Member has not understood the point I was making. The point I was making, Mr Speaker, was that he told us recently that the Consolidated Fund balance at the end of March this year was £7.7m. At the same time included in that £7.7m was a figure of £4.9m of unpaid bills leaving the government with £2.8m. If we want to assess whether the reserves are £7m or £2.8m, my judgement and I would like him to explain why it should not be so, is that if we go back over the period since 1972, we find that until 1975/76 the actual figure in the reserves did not include any arrears of revenue, those were excluded. When the Funded Services were created the arrears of revenue were included for the first time so it would be incorrect to say: "We have now got £7m" and we had £2.8m, no, counting the reserves as we did between 1972 and 1976 we have got £2.8m now. If you want to compare like with like then you have to treat the sums in the same way.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I would argue, Mr Speaker, that you are not comparing like with like if you simply compare them in money terms because there have been several developments. First of all, the value of money itself has changed and, secondly, there has been a natural volume increase in the services concerned and, thirdly, there will have been increases in tariffs which are bound to inflate the amount. However, I won't dwell on the point because I do not think the Hon Member and I will ever agree on the interpretation of that Mr Speaker. I don't think I have anything more to say except to repeat once again that this is not an inordinate liability for the Gibraltar Government, I have no doubt that if and when we were to seek recourse to commercial borrowing we shall find a very ready reception on the part of the financial institutions to help us out. That is what debt management and debt policy is all about, taking the best advantage of the opportunities which are open to one to meet deficits that arise. Mr Speaker, I commend the Bill to the House.



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

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon G Mascarenhas  
The Hon J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammitt  
The Hon E Thistlethwaite  
The Hon B Traynor

The following Hon Members voted against:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon M A Feetham  
The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J E Pilcher

The following Hon Member was absent from the Chamber:

The Hon R Mor

The Bill was read a second time.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

#### COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause: The Traffic (Amendment) Bill, 1984; the Income Tax (Amendment) (No 2) Bill, 1984; the Elections (Amendment) Bill, 1984; the Group Practice Medical Scheme (Amendment) Bill, 1984; the Family Allowances (Amendment) Bill, 1984; the Elderly Persons (Non-Contributory) Pensions (Amendment) (No 2) Bill, 1984; the Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) Bill, 1984; the Specified Offices (Salaries and Allowances) Bill,

1984; and the Loans Empowering (1984/1988) Bill, 1984.

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

#### THE TRAFFIC (AMENDMENT) BILL, 1984

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

#### Clause 3

HON M K FEATHERSTONE:

Sir, I beg to move an amendment to Clause 3 which was circulated in the last House of Assembly, I hope Hon Members have copies of it. It is a rather long amendment and I trust it can be taken as read without having to read all through it. Sir, the purpose of this amendment is to tighten up Clause 64A somewhat. One of the tightenings up is that where there should be two named drivers, one of the named drivers must be a person who has no other regular employment than driving a taxi. It also contains further provisions where a driver or a registered owner may be taken ill that the Commission may insert a name of some other person and it also allows the registered owner to substitute the name of another named driver in the case of absence as long as the period is not more than seven days. I commend the amendment to the House, Sir.

Mr Speaker then put the question which was resolved in the affirmative and Clause 3, as amended, was agreed to and stood part of the Bill.

#### New Clause 4

HON M K FEATHERSTONE:

Sir, I beg to move that a further Clause be added as Clause 4. This one has also been circulated and the idea is to see that in Clause 64A no person abuses the Regulations by providing penalties should the person contravene the provisions of Clause 64A.

Mr Speaker then put the question which was resolved in the affirmative and new Clause 4 was agreed to and stood part of the Bill.

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

#### THE INCOME TAX (AMENDMENT) (NO 2) BILL, 1984

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

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

THE ELECTIONS (AMENDMENT) BILL, 1984

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

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

THE GROUP PRACTICE MEDICAL SCHEME (AMENDMENT) BILL, 1984

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

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

THE FAMILY ALLOWANCES (AMENDMENT) BILL, 1984

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

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

THE ELDERLY PERSONS (NON-CONTRIBUTORY) PENSIONS (AMENDMENT)  
(NO 2) BILL, 1984

Clause 1

HON DR R G VALARINO:

I beg to move an amendment to Clause 1(2), the date shall be the 26th December and not the 25th December as in the Bill so that the date of the implementation is the correct one.

HON J BOSSANO:

I take it, Mr Speaker, that this is because of the point that I made earlier that we were amending the original Ordinance as a result on the same date.

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

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon G Mascarenhas  
The Hon J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon E Thistlethwaite  
The Hon B Traynor

The following Hon Members voted against:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon M A Feetham

The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J E Pilcher

The following Hon Member was absent from the Chamber:

The Hon R Mor

Clause 1, as amended, stood part of the Bill.

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

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

THE NON-CONTRIBUTORY SOCIAL INSURANCE BENEFIT AND UNEMPLOYMENT  
INSURANCE (AMENDMENT) BILL, 1984

Clause 1

HON DR R G VALARINO:

Sir, I would like to propose the same amendment on Clause 1(2) that the date will be the 26th December instead of the 25th December as the date of implementation.

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

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon G Mascarenhas  
The Hon J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon E Thistlethwaite  
The Hon B Traynor

The following Hon Members voted against:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon M A Feetham  
The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J E Pilcher

The following Hon Member was absent from the Chamber:

The Hon R Mor

Clause 1, as amended, stood part of the Bill.

Clauses 2 to 5 were agreed to and stood part of the Bill.

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

THE SPECIFIED OFFICES (SALARIES AND ALLOWANCES) BILL, 1984

Clauses 1 to 5 were agreed to and stood part of the Bill.

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

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

THE LOANS EMPOWERING (1984/1988) BILL, 1984

Clauses 1 to 18 were agreed to and stood part of the Bill.

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

The House resumed.

### THIRD READING

HON ATTORNEY-GENERAL:

Mr Speaker, I have the honour to report that the Traffic (Amendment) Bill, 1984, with amendments; the Income Tax (Amendment) (No 2) Bill, 1984; the Elections (Amendment) Bill, 1984; the Group Practice Medical Scheme (Amendment) Bill, 1984; the Family Allowances (Amendment) Bill, 1984; the Elderly Persons (Non-Contributory) Pensions (Amendment) (No 2) Bill, 1984, with amendment; the Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) Bill, 1984, with amendment; the Specified Offices (Salaries and Allowances) Bill, 1984; and the Loans Empowering (1984/1988) Bill, 1984, have been considered in Committee and agreed to and I now move that they be read a third time and passed.

Mr Speaker then put the question and on a vote being taken on the Traffic (Amendment) Bill, 1984; the Income Tax (Amendment) (No 2) Bill, 1984; the Elections (Amendment) Bill, 1984; the Family Allowances (Amendment) Bill, 1984; and the Specified Offices (Salaries and Allowances) Bill, 1984, the question was resolved in the affirmative.

The Hon the Attorney-General and the Hon the Financial and Development Secretary abstained on the Specified Offices (Salaries and Allowances) Bill, 1984.

On a vote being taken on the Group Practice Medical Scheme (Amendment) Bill, 1984; the Elderly Persons (Non-Contributory) Pensions (Amendment) (No 2) Bill, 1984; the Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) Bill, 1984; and the Loans Empowering (1984/1988) Bill, 1984, the following Hon Members voted in favour:

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon G Mascarenhas  
The Hon J Perez  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon E Thistlethwaite  
The Hon B Traynor

The following Hon Members voted against:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon M A Feetham  
The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J E Pilcher

The following Hon Member was absent from the Chamber:

The Hon K Mor

The Bills were read a third time and passed.

### GOVERNMENT MOTIONS

HON M K FEATHERSTONE:

Sir, I beg to move: "This House resolves that the Financial and Development Secretary be authorised under the provisions of Section 9 of the Public Finance (Control and Audit) Ordinance, 1977 (No.9 of 1977) to give in writing in the name and on behalf of the Government of Gibraltar a guarantee to Barclays Bank International Limited of 84/90 Main Street, Gibraltar for an amount not exceeding £125,000 to secure any overdraft facilities given by the said Barclays Bank International Limited to the Gibraltar Quarry Company Limited". Sir, when the Gibraltar Quarry Company was formed it was simply a £1,000 company and it had no financial assets at all other than what was given at the time which was an overdraft facility to Barclays Bank by the then Financial Secretary. The

necessity of the company to buy a fair amount of equipment to pay for the building where its offices are housed obviously demanded that a fair sum of money was required and this overdraft was drawn on to a considerable extent. The Quarry Company has had a difficult start. As everybody may know, the original chutes that was envisaged would bring sand down from the top of the catchments didn't work and the Quarry Company had to use expensive equipment to obtain sand from the bottom areas and this saw that the overdraft soared up to the limit of the actual overdraft facility and at times a little beyond it. However, the following year, after the first year in which there were losses of some £50,000, showed a profit of some £80,000 and this reduced the overdraft at times to nil to such an extent that the company was able to make some money by investing its surplus in the bank at interest. However, with the lack of development over the last two years, the company has once again gone into a serious situation in which sand sales have been considerably reduced and it has not been able to maintain its way without drawing heavily on its overdraft. The position, Sir, is that the company is able to deal in both sand and aggregate and although it does deal in coarse aggregate to some extent, the demand is for what is known as fine aggregate and the demand for fine aggregate runs almost parallel to the demand for sand and the company wishes to go into the production of fine aggregate by the purchase of machinery so to do. The cost of this machinery is something in the region of £15,000 and it is hoped once that machinery is installed the company will be able to sell fine aggregate for which there is a considerable demand in Gibraltar to an extent that it turns what is at the moment a non-viable company into a company of viability ranging of a modicum of profit margin of £10,000 to £40,000 a year at present development rates. If, of course, development with the open frontier situation improves considerably, then it is hoped that the Quarry Company will be able to do considerably more business but I have taken the pessimistic view and on the pessimistic view we hope to have a viable situation in which the company will be, as I say, making a profit of some £10,000 a year. Sir, the Chamber of Commerce, which rather like the last Opposition seems to verge on hysteria whenever the Quarry Company is mentioned, seems to want to do their utmost to denigrate the company at every opportunity and they have quoted in Panorama this week: "£125,000 gift to the Gibraltar Quarry Company". Well, Sir, it is no gift, it is simply the guaranteeing of an overdraft, no money is involved from the Gibraltar Government they are only guaranteeing an overdraft which in every probability will be repaid over a due period of time. But the Gibraltar Chamber of Commerce which seems to be the paragon of monopolistic interests brings out some other points of the Quarry Company which I would like to take this opportunity to answer: They comment why aren't there any

accounts of the Gibraltar Quarry Company available to the public? Well, Sir, it seems to me that they are disgustingly misinformed because they must know or they should know that the accounts of the Quarry Company are laid on the table of this House every year or, at least, every so often as they are produced and they become a public document. Copies, I believe, are sent to the press so if the Gibraltar Chamber of Commerce do not know anything about it it is their own stupidity and blindness that doesn't allow them to see it. At the moment, Sir, where we are quarrying sand, a large amount of rock is being thrown up and it would seem a great pity to leave this rock untouched, a raw material in Gibraltar which can be used, why should we have to import sand from some other area rather than use our own resources. As I have said, Sir, the intention is to give an overdraft facility which may be used fully, it may not be used fully, it depends on the way the company is working. I can tell you at the moment the company is working very well and we are actually, over the last month, working on viable conditions but the situation, as I have said, I would hope would improve very considerably with further development once the frontier is opened. There are big development schemes which will demand large quantities of both sand and aggregate and I feel that it is the opportunity for the Gibraltar Quarry Company, a Government owned company, to use materials that we have available in Gibraltar to the benefit of the Gibraltar public. I therefore commend the motion to the House, Sir.

Mr Speaker then proposed the question in the terms of the motion moved by the Hon the Minister for Health and Housing.

HON J C PEREZ:

Mr Speaker, there are, in my view, two aspects to this motion. The first is to ask the Government why they are bringing this motion to the House when under the Public Finance (Control and Audit) Ordinance, 1977, under Section 9(b), the Financial and Development Secretary, in writing under his hand, is authorised to do it without a motion in the House. We have pointed out before to the Hon Financial and Development Secretary infringing that law which he has chosen to ignore so I would like an explanation of that. The second aspect of the motion is the overdraft itself and I would like to say that what we cannot do is on the one hand guarantee an overdraft and on the other hand limit the activities of the company. I am in complete agreement with what the Hon Mr Featherstone has said about the Chamber of Commerce and if we are going to guarantee the overdraft then we must allow the activity of the company to expand to be able to cover that overdraft through its activities. If we want to limit, as the Hon Member said at the last meeting of the House, if we want to limit the activities of the Gibraltar Quarry Company to natural resources and those natural resources

are sand and will now be gravel because of the overdraft, in our view the only way that that overdraft can be covered and the only way that the company will be viable is if the Gibraltar Government, as the Hon Member has just said, why import sand rather than use our own, if the Gibraltar Government contracts can guarantee the Quarry Company that they will use their aggregate and their sand for their projects. You cannot have it both ways, you cannot on the one hand say that we must get on to a viable footing and that it is a publicly owned company which cannot compete with the private sector in different fields, which we opposed in the last meeting of the House, and then guarantee an overdraft on those conditions and then on the other hand say that you want a viable company because you want the company to use the natural resources that we have and to limit it to natural resources and then we have the Public Works Department giving contracts out to other companies other than the Government owned company. This is a situation that we cannot see as beneficial for the company or for Gibraltar and that is why we intend to vote against this motion, Mr Speaker.

HON ATTORNEY-GENERAL:

As far as the first point is concerned, Mr Speaker, Section 9 has been amended and it does require now a resolution of this House. Unfortunately, I haven't got the copy of the amendment here, we are trying to find it, but I will inform my Hon Friend. Take it from me it has been amended and therefore it is necessary to bring this motion.

MR SPEAKER:

Are there any other contributors?

HON J BOSSANO:

I think, Mr Speaker, the idea of allowing the company to diversify into making gravel is one which should have been considered by the Government a considerable time ago, in fact, it is better that they should do it now than not at all. The Hon Member has talked about an upturn in demand for building products arising from the possible development of tourist related projects presumably on the site that the Government is putting out to tender. Certainly, there is no guarantee that any of this work will generate demand for the products of the Quarry Company, they may generate demand for building products but in fact I don't know how the Quarry Company is doing out of the refurbishment of the Dockyard and I certainly don't know how the Quarry Company will do out of the possible Viaduct Causeway but the Quarry Company just recently lost a contract to do some work in the asphalt area, Mr Speaker, where, as I understand it, the margin between the successful tenderer and

the Quarry company was quite small and the Government apparently has got no policy to give some sort of favoured treatment to a company which is not only publicly owned but it is unique in the private sector in that it has Government pay and conditions for its employees which is something that is important to remember. It isn't just competing with other people on an equal footing, it is competing on the basis that it is paid better and has better conditions than its competitors. If the Government is going to come along to the House and say that they have got sufficient confidence in the Company's future to accept underwriting the overdraft and incurring a potential liability, then they have to prove to the House of Assembly that they are 100% behind the company and we were told that the company having put in a bid for a licence to trade in cement was subsequently overruled by the Government. At the time we recalled that there seemed to be different treatment between the attitude towards GSL where the Government have said today again in the House in the statement of the Chief Minister that they will not interfere in the day-to-day running of the commercial dockyard, that will be left to the managers. Well, surely, the running of the Quarry Company should be left to the managers and if you have got a situation where you have got a company selling gravel, it may be that it will find that a customer who might like to buy sand and gravel will not buy it because he cannot get the cement from that source and because the source that supplies the cement insists on either selling the lot or nothing at all because we all know that those restrictive practices are normal in the commercial sector. People who are in a position to exert pressure will turn round and say: "Either you buy this from me or you won't get the other things". I think the Government can be sure that they will not be facing a hostile Opposition when it comes to helping the Quarry Company to develop because we think, in fact, that this kind of development is the kind of development that might produce revenue for the Government and help them to meet the costs of running public services without having to recourse to taxation or borrowing so we support the philosophy of having revenue earning publicly owned companies which are independent of Government day-to-day control but which can be self-sustaining and will get Government support but I am afraid unless we are reassured on this point, as my Colleague has said, we will not support the motion because we think that there is a fundamental conflict in the attitude of the Government.

MR SPEAKER:

Any other contributors? Does the Mover wish to reply.

HON M K FEATHERSTONE:

Well, Sir, the Hon the Learned Attorney-General has answered the first point that Mr Perez has made. It is a good thing to have

the agreement of the Hon Mr Perez and the Hon Mr Bossano to the promotion of the Quarry Company even though they say they are going to vote against. I think it is rather negative voting against because their heart is with the Quarry Company although for reasons which they have explained which seem to me to be rather a negative approach to the problem, they say they are going to vote against, I think they might do even better by abstaining, but I would comment that Government itself does buy all its sand and gravel when it is available from the Quarry Company and as far as the contract which was recently awarded to another company to do a certain job, I can tell the House that this other company has sub-contracted the work to the Gibraltar Quarry Company so they will be doing it after all.

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

The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon Sir Joshua Hassan  
The Hon G Mascarenhas  
The Hon J B Perez  
The Hon Dr R G Valarino  
The Hon H J Zammit  
The Hon E Thistlethwaite  
The Hon B Traynor

The following Hon Members voted against:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon M A Feetham  
The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J E Pilcher

The following Hon Member was absent from the Chamber:

The Hon R Mor

The motion was accordingly passed.

The House recessed at 7.00 pm.

WEDNESDAY THE 12TH DECEMBER, 1984

The House resumed at 10.45 am.

## MOTIONS

HON CHIEF MINISTER:

Sir, I have the honour to move that "this house -

- (1) Declares that it wishes, and those of the people of Gibraltar as a whole, are that sovereignty over Gibraltar should be retained by Britain;
- (2) Affirms its complete confidence in the British Government's declaration that it will fully maintain its commitment to honour the wishes of the people of Gibraltar as set out in the preamble to the 1969 Constitution;
- (3) Expresses its appreciation to the British Parliament for its consistent and unswerving support for Gibraltar in the past and looks forward with full confidence to the continuation of such support in the future; and
- (4) Welcomes the agreement reached between the Secretary of State for Foreign and Commonwealth Affairs and the Spanish Foreign Minister in Brussels on 27 November 1984".

Mr Speaker, the last part of my motion, of course, is subject to the reservations which have been made so many times that I did not think it is necessary to specifically put it there, in fact, subject to (1) which is that the wishes of the people of Gibraltar as a whole are that sovereignty over Gibraltar should be retained by Britain. The whole context of the motion is one and just for the sake of clarity they are put in this way. Sir, I have already made two public statements on the question of the Brussels Agreement. The first of these was issued immediately after the publication of the Brussels Communiqué. The second was a Ministerial Statement prompted by the need to clarify certain aspects and to counter a number of points contained in a statement by the GSLP. Two of my colleagues, Mr Canepa and Mr Perez, have also commented on the agreement in GBC television programmes. I believe, however, that it is proper and necessary, that this very important matter should be debated in this House with full time to discuss it and not as a result of a challenge for a ten minute or a quarter of an hour discussion that would pass away. The same thing happened with the Dockyard, I was challenged to go out on television, I said this was the place to discuss matters of this nature and I brought a motion then and I am bringing a motion now so that it can be aired fully and without any limitations of time or

the colour of the powder that they put on your face - I am referring to the make-up necessary to appear on television.

My speech on the motion will fall into two parts. In the first of these I will describe the origins of the Agreement and make a factual and what I hope will be an objective analysis of its contents and of its implications. It is not only not surprising but quite understandable that some part of the Agreement should have caused some anxiety in Gibraltar and possibly also some confusion as to its true meaning and significance. There is, in my view, a need to examine closely the substance of the Agreement without emotion, without polemics and without any predetermined political position. Only in this way is it possible rationally to judge whether or not the Agreement is beneficial to the people of Gibraltar. Mr Speaker, in making this analysis, I shall inevitably cover some of the ground already covered by my previous statements. I judge, however, that the importance of this analysis requires that it should be complete and therefore I ask the House to bear with me in what is not going to be a brief statement that I am always inclined to make. The matter is too important for it to be brief.

In the second part of my address I will deal with some of the criticisms which have been expressed and I will make a number of other observations. Sir, following the lead given by the then Leader of the Opposition and myself in April, 1980, and subject to the reservation which we made jointly in regard to negotiations on sovereignty over Gibraltar, the great majority of people in Gibraltar accepted the Lisbon Agreement. I know that the Members opposite were against it but I think that that statement is substantially correct, the bulk of the people in the end accepted the Lisbon Agreement and, indeed, were anxious for its implementation.

As we all know, the British Government was anxious, from the beginning, to implement the Agreement as soon as possible. The Gibraltar Government supported that position because it believed it to be in Gibraltar's interests. One of the main reasons why the Spanish Government declined to implement the Agreement was a difference of interpretation of the phrase "Full equality of rights", the Spaniards insisting, at the beginning, that this meant full equality of rights with Gibraltarians, there and then. This was unacceptable to us. It would have meant, *inter alia*, that, from the date of implementation, Spaniards would not have needed permits to work in Gibraltar.

Subsequently, the Spanish position was modified and Spain asked for EC rights for Spaniards in Gibraltar. This too we resisted because we saw nothing in the Lisbon Agreement which justified this demand and because there was at the time no other circumstance which would have made it possible to consider such a proposition.

We know of other reasons why implementation of the Lisbon Agreement was delayed - notably the Falklands war in 1982. I think we were as near to the Lisbon Agreement being implemented on the 20th April but for the South Atlantic war as we ever have been up to now. But by 1983 there was a deadlock, no progress seemed possible and then, on the 15th November, 1983 - and I would ask Hon Members to take note of this particular date because I shall refer to it later on - on the 15th November, 1983, during a meeting with the Secretary of State in London, it was suggested to me that the impasse might be broken if all concerned were to agree that European Community rights might be mutually conceded between Spain and Gibraltar at some appropriate date in the future when greater progress had been made in the negotiations for Spain's accession to the Community but before that accession actually took place.

My reaction to this suggestion was that I saw no objection to its being explored further without commitment a year ago. By March 1984 exploratory talks had been held at diplomatic level and I was then asked, at a meeting with the Secretary of State on 7 March, 1984, whether I would agree that the matter should be pursued and the implications of the proposal examined in more detail with the Spanish Government.

My response was favourable but I said that I would need to consult my colleagues. I did so on my return to Gibraltar and, shortly afterwards, I communicated our assent to London through His Excellency the Governor.

There then followed a series of Anglo/Spanish talks at official level at which the details and the modalities of the advance mutual concession of European Community rights were hammered out so that all concerned, before agreeing finally to the proposal, might be aware of the framework against which it would be proceeded with.

I asked the House to note carefully the date November 1983 for three reasons. First of all, this shows that the Agreement announced in Brussels in November 1984 was not a sudden or rushed Agreement but one which had been under consideration for a full year before that. Secondly, I have shown that I was consulted closely throughout that period - indeed the proposition was put to me before it was put to the Spanish Government. Thirdly, I have described the manner in which the Agreement evolved, that is to say, from a situation of deadlock in 1983 to one in which, as other events developed, a mutually acceptable breakthrough was possible.

The essence of the Brussels Agreement is, of course, that it establishes and clarifies the way in which the provision in the

Lisbon Agreement regarding reciprocity and full equality of rights will be implemented.

The question has been asked: why, if the Brussels Agreement is beneficial to Gibraltar, was not the concession of EC rights granted under the Lisbon Agreement in 1980? As I have explained, the original Spanish claim for equality of rights with Gibraltarians was totally unacceptable. As to the subsequent claim for EC rights, the present position in regard to the negotiations for Spain's accession was, of course, not the same in 1980, 1981, 1982 or 1983. By March 1984, these negotiations had taken a significant step forward. On 1st March, we were informed by Mr Hannay who was responsible for negotiations, who came and consulted everybody and expressed his view, that negotiations on Spanish accession had changed gear since he had last visited Gibraltar. He told us that barring any unforeseen development, and we know that there are still unforeseen developments possible, the chances of Spain joining the Community on the 1st January, 1986, had become reasonably realistic and that heads of Government had agreed that negotiations should be completed by the 30th September, 1984, and that both Spain and Portugal should enter the Community on the 1st January, 1986, that was, of course, in March. Now we know that the date of September has not been strictly kept but still they are making efforts to see that the negotiations are completed in such a way that the date of accession which was the 1st January, 1986, remains, or perhaps three months later, anyhow, that is the position as it is now but I am describing the position as it was in March, 1984.

As I have explained, it was only then that the proposal for advance implementation became the subject of Anglo/Spanish talks at official level. I should add that at that time and on the assumption that the proposal would be pursued, the Secretary of State and I had discussed possible dates for implementation. Even then, we considered that some time late in 1984 or early 1985, bearing in mind the target date of 1st January, 1986, for Spain's accession, would be the most appropriate time. In our joint judgement the date should not be too close to Spain's actual accession but I must make the point clearly here and now that what in our view would be desirable in late 1984 or early 1985 would, in my view at least, not have been desirable in any of the four years of 1980, 1981, 1982 or 1983, when there was considerably less certainty of Spanish accession by 1986.

It is true that, even today, no-one can be sure that Spanish accession will in fact take place on 1st January, 1986, but there comes a time when a judgement has to be made based on probability. If accession were to be delayed somewhat - for 3,

6, 9 or 12 months beyond January 1986 - I still consider that, because the accession negotiations are so far advanced, the timing for the implementation of the Agreement is about as right as anyone could reasonably calculate.

I must point out also that it was not until July 1983 that it began to emerge that the European Community would be likely to seek a 7-year Transitional period for the free movement of Spanish labour. This also was an important factor in the timing of advance implementation. As I made clear in my letter to the Hon Leader of the Opposition on 13 September, as well as in answer to question No.238 yesterday, the 7-year period will commence, for Gibraltar, on the date of Spain's actual accession and not from the date of the implementation of the Brussels Agreement.

To dispose, in parenthesis, of one other point that has been made, of course it was possible - and right - for me to tell the Royal Institute of International Affairs, on 14 November 1983, that "As for EC rights, not only is Spain not yet a member of the Community, but even the large Countries of the Community are seeking transitional periods to protect their own interests on Spain's entry". That was our position at the time and it has since been modified for the reasons I have explained - that is to say, that Spain is now that much closer to accession and that the question of the transitional period is now that much clearer. I should add, as a matter of interest, that my statement was made on 14th November to the Royal Institute and that my meeting with the Secretary of State was on 15th November because unlike other opportunities when I have been asked to go to London to talk to people when I am in London for other purposes, the Royal Institute had to prepare their programme a long time ahead so I did it the other way about, I arranged to address the Royal Institute and took advantage of my visit to see the Secretary of State but as it happened I saw him the day after I spoke to the Royal Institute of International Affairs. I would, however, have said the same thing even if the sequence of events had been the other way about, I am not shirking that responsibility, I am saying as a matter of historical interest how the thing happened.

The next point I wish to touch on in the Brussels Agreement arises from the sentence "The necessary Legislative proposals to achieve this will be introduced in Spain and Gibraltar". I dealt with this point in my Ministerial Statement on 30 November and I now merely wish to repeat, for record in this House, that the Agreement does not say that the necessary Legislative changes will be made but that proposals for such changes will be introduced in Spain and in Gibraltar. I also said in my Statement that, when the time came, we would throw



our full weight behind those proposals, not because the British Government had told us how to vote but because we believe that the Brussels Agreement is good for Gibraltar. That is exactly what we did with the Dockyard and it is exactly the same when I signed the Agreement for the package subject to submission to the House of Assembly. I think it should be realised that there is no power of veto on the part of an Opposition in a democracy, that the Executive must take the decisions that it thinks proper and submit it to the Legislature and rely, naturally, on its majority because that is why they have a majority. As I said earlier, my Colleagues and I agreed as far back as March, 1984, that the proposal for the mutual exchange of EC rights should be pursued because we believed that, given the right timing, this could lead to a breakthrough in the stalemate reached over the Lisbon Agreement.

Paragraph (b) of the Brussels Agreement states clearly that the free movement of persons, vehicles and goods between Gibraltar and the neighbouring territory will be established. As my colleague Mr Canepa pointed out on television on 6 December, this is a clear advance on the statement in the Lisbon Agreement that "the Spanish Government has decided to suspend the measures at present in force". Furthermore, unlike the Lisbon Agreement, the Brussels Agreement has received general support in Spain. I believe that it will be implemented by not later than 15 February, 1985.

Paragraph (c) of the Brussels Agreement reproduces the statement in the Lisbon Agreement about the British and Spanish Governments agreeing to negotiate with the aim of overcoming all the differences between them over Gibraltar. I will revert to this in a moment. That same paragraph states that the negotiating process will also be aimed at promoting cooperation on a mutually beneficial basis on economic, cultural, touristic, aviation, military and environmental matters. Here too it is pertinent to recall the wording of the Lisbon Agreement on the question of cooperation. That Agreement states "Both Governments have agreed that future cooperation should be on the basis of reciprocity and full equality of rights". It also states that both Governments recognised "The need to develop practical cooperation on a mutually beneficial basis".

The new formula in paragraph (c) is in my view much clearer and much more satisfactory. The Brussels Agreement converts "Full equality of rights" into those rights which citizens of the EC Countries enjoy - and which, therefore, would in any event have to be exchanged between Spain and Gibraltar on Spain's accession. No less significant I think is the clear and positive statement that cooperation in the areas stated will be on a mutually beneficial basis. This was of course our own interpretation of the Lisbon Agreement but there is no doubt that the wording in the Brussels Agreement is much clearer and not subject to different interpretations. That the cooperation

envisaged must be mutually beneficial of course rules out any matter or proposal which might be prejudicial to the interests of either side or even, simply, not beneficial to one side or the other, as the case may be. Here too, then, the Brussels Agreement is an advance on the Lisbon Agreement.

Sir, the penultimate paragraph of the Brussels Agreement specifically introduces a feature which is not to be found in the Lisbon Agreement. That paragraph states: "In so far as the airspace in the region of Gibraltar is concerned, the Spanish Government undertakes to take the early actions necessary to allow safe and effective air communications". I do not think the importance of this should be under-estimated. This matter was raised nearly 7 years ago, in March 1978, at the Ministerial meeting between Dr David Owen and Senor Oreja which I attended. It had been raised many times before and has been raised again since then. We now have a clear and categorical statement that, at last, the matter is to be dealt with. This is yet another, and very significant, advance on the Lisbon Agreement.

The final paragraph of the Brussels Agreement states that there will be meetings of working groups and that these will be reviewed periodically at meetings between the Spanish and British Foreign Ministers. It has been made clear that I will be attending meetings held at Ministerial level - and, indeed, this has been referred to, with approval, by the Spanish Foreign Minister. Gibraltar Government Officials will, as appropriate, attend meetings of the Working Groups whose work will be ad referendum to Ministers, including Gibraltar Government Ministers.

We come now, Sir, to the question of sovereignty. I referred a few minutes ago to the statement in the Brussels Agreement, reproducing the statement in the Lisbon Agreement, about the British and Spanish Governments agreeing to negotiate with the aim of overcoming all the differences between them over Gibraltar. It was, of course, perfectly clear at the time that this meant that, under that agreement, Spain would be free to raise the question of sovereignty. It was for this reason that the then Leader of the Opposition and myself entered our reservation against that part of the Lisbon Agreement and that I entered the same reservation in my statement on 27 November, 1984.

The Brussels Agreement states that "Both sides accept that the issue of sovereignty will be discussed in that process", that is to say, in the "Negotiating process aimed at overcoming all the differences between them over Gibraltar". There are two points to note here - and I remind the House, and stress, that, at this stage, I am still in the process of a purely objective

analysis of the Brussels Agreement. The first point arises from the phrase "Both sides accept". This, in so far as Spain is concerned, is clearly an advance, if only for presentational reasons. But the reality is not affected in any way. I have already said that it was perfectly clear to everybody in 1980 that Spain would be free to raise the question of sovereignty under the Lisbon Agreement, but it was implicit in paragraph 2 of that agreement - "Both Governments have therefore agreed to start negotiations aimed at overcoming all the differences between them" - that the matter would be discussed. All the Brussels Agreement does in this respect is to make explicit what has been there all along. Why else would we have made our reservation immediately after the publication of the Lisbon Agreement?

The second point to note about this sentence is that, at first glance, the wording might appear to be strange. Why should Spain, for its part, accept that sovereignty would be discussed? One might perhaps have expected something on the lines of "Spain claimed" or "Spain demanded" that sovereignty should be discussed, followed by "Britain agreed to do so". I am not for one moment suggesting that Spain has in any way modified or watered down its position on sovereignty but it is clear that the wording of this sentence is more moderate than it might otherwise have been. I believe that this is the result of a growing realisation in Spain that a transfer of sovereignty against the wishes of the people of Gibraltar is simply out of the question.

Sir, ~~to~~ summarise this first part:-

- (1) The Brussels Agreement establishes and clarifies the way in which the provision in the Lisbon Agreement regarding reciprocity and full equality of rights will be implemented. It converts "Full equality of rights" into those rights which citizens of the European Community Countries enjoy and which would therefore have to be exchanged on Spanish accession;
- (2) The situation in March, 1984, was totally different from that which existed at any time between 1980 and 1983;
- (3) The Brussels Agreement does not state that the necessary legislative changes will be made but that proposals for such changes will be introduced. The Gibraltar Government will introduce and support those changes;

- (4) While the Lisbon Agreement recorded a Spanish Government decision to suspend the measures at present in force, the Brussels Agreement contains a clear statement that the restrictions will be removed;
- (5) The Brussels Agreement establishes, in a much more satisfactory manner than did the Lisbon Agreement, how cooperation will be developed on a mutually beneficial basis;
- (6) The Brussels Agreement records the Spanish Government's undertaking to take early action to allow safe and effective air communications, something which had been resisted very strongly up to now;
- (7) It has been made clear that the Gibraltar Government will be represented by me at meetings held at Ministerial level; and
- (8) The Brussels Agreement, in regard to the question of the discussion of sovereignty, in no way alters the position established under the Lisbon Agreement; it merely makes that position explicit.

I think that I have come to the end, Mr Speaker of what I believe to be a fair and objective analysis of the terms of the Brussels Agreement and one which any reasonable person, approaching the matter without emotion, fear, mistrust or political prejudice, would find it difficult to dispute.

I now come to the second part of my speech in which I will deal with some of the criticisms which have been expressed and make a number of other observations.

Let me deal first with political prejudice. It is, of course, the prerogative of every political party, as indeed of every individual, to adopt a view in regard to a matter such as this, but if, in criticising the actions of another political party, the objective facts of the situation are distorted or misrepresented, this is political prejudice and political ambition.

This matter is too serious for such tactics. The GSLP have stated, for instance, that the "New Agreement redefines the Lisbon Agreement.....in a way which favours Spain at the expense of the Gibraltarians". This is simply not the case and no amount of repetition by the GSLP or anyone else will make it so.

The DPBG have stated that, under the Lisbon Agreement, "Spain was entitled to raise the issue of sovereignty which Britain

and the people of Gibraltar were entitled to reject. In the present Agreement Britain and Spain have accepted that sovereignty will be discussed (and therefore negotiated) in that process". It is utter nonsense to suggest that, under the Brussels Agreement, Britain and the people of Gibraltar are not entitled to reject a Spanish claim to sovereignty. To agree to discuss a matter is not to agree to concede it. Are words to mean what they mean or what, for political purposes, people want them to mean? British agreement to discuss sovereignty was implicit in the Lisbon Agreement and I have not the slightest doubt - nor can the former Leader of the Opposition have any doubt - that, had the Lisbon Agreement been implemented, sovereignty would have been raised and discussed. The Brussels Agreement states that "The British Government will fully maintain its commitment to honour the wishes of the people of Gibraltar as set out in the preamble of the 1969 Constitution". Where this sentence is not ignored by the critics of the Brussels Agreement, it is misrepresented. The DPBG, for instance, notes the omission of the words "Freely and democratically expressed" and goes on to say that "This omission must raise doubts as to how those wishes are to be expressed or ascertained in the future". Does the DPBG really believe that the omission of these words has any significance whatsoever? Do the DPBG's legal advisers believe that the omission of these words in the Agreement makes any difference to the text of the preamble to the Constitution? - quite apart from the fact that the Agreement actually says "As set out in the preamble to the 1969 Constitution?"

Sir, I repeat that this is too serious a matter for such tactics. I can only deduce that both the DPBG and the GSLP are prepared to distort the facts and the evidence for their own political reasons, that is to say, in order to discredit my party and, in particular, myself.

The DPBG state, for instance, that I have compromised the political future of Gibraltar by being the first elected politician to accept the issue of sovereignty specifically as a matter for discussion. I have done nothing of the kind. Again I ask: What do words mean? Did I not make a reservation on the question of sovereignty in my statement on 27 November, 1984? And when, in that statement, my colleagues and I commended the Agreement to the people of Gibraltar, did we not say that this was subject to the reservation I had made? Did I not, in making that reservation, quote the exact words of the reservation that I made in 1980 jointly with the Leader of the DPBG? And have I not shown that, in essence, the implications of the Brussels Agreement and the Lisbon Agreement on the issue of sovereignty are the same?

The DPBG have also stated that, by refusing to take part in a bi-partisan approach on Foreign Affairs, the GSLP lost the opportunity of influencing Sir Joshua Hassan and the British Government in the formulation of the Brussels Agreement. Mr Isola repeated this on CBC Television. This strikes me as the absolute depth of political cynicism. What in effect they are saying is that what a pity it was that Joe Bossano was not there to stop Hassan selling Gibraltar down the river! I have not the slightest doubt in my mind that, had Mr Peter Isola been the Leader of the Opposition during this period, he would have behaved in exactly the same way as I have done.

Sir, I totally reject any suggestion that I have made an error of judgement - or worse - in welcoming this Agreement, subject always to my reservation. I would indeed put the matter in quite a different way. I would say that, having considered whether or not the Agreement would be beneficial to Gibraltar, and having concluded that it would, it was my duty to the people of Gibraltar to say so and to give the necessary leadership.

I can appreciate that my political opponents would not wish to give me the credit for that but I regard it as the height of political irresponsibility to distort and misrepresent the facts in order to discredit me and to advance their own political ambitions. By all means let us have all the debate that is necessary but let us not distort the facts. Let us get the facts as they are and then on the merits of the facts, as they are, make a judgement.

Even at this stage, I would ask Hon Members on the other side of the House to reflect carefully and objectively on my analysis of the Brussels Agreement. Analyses of situations is one of the favourite and welcome characteristics of the Leader of the Opposition who has analysed this matter and I ask him to do that too and I ask them to look into their hearts and consider whether this is not indeed the right road to follow for the good of the people of Gibraltar.

It has been suggested that, because of the Brussels Agreement, the people of Gibraltar have been put in the front line and that the onus on the question of sovereignty is now on them. Sir, it has always been my belief that the people of Gibraltar have always been in the front line and, indeed, that that is where they belong. We have been claiming self-determination for years and Britain has granted us that right.

The preamble to the Constitution reflects the right. The preamble is referred to in the Lisbon Agreement and the Brussels Agreement. It has been referred to on numerous occasions. It

was referred to by the Foreign and Commonwealth Secretary in the House of Commons on 28 November, 1984. It was referred to by the Prime Minister in a Parliamentary reply on 7 December, 1984, when she said: "The British Government will fully maintain their commitment to honour the freely and democratically expressed wishes of the people of Gibraltar as set out in the preamble to the 1969 Constitution". I hope that the Leader of the almost defunct DPBG will take note that she has used the words "democratically expressed wishes".

I said earlier that I fully understood that the Brussels Agreement should have caused some anxiety in Gibraltar - and I am referring now to the ordinary person in the street and not to the Leadership of political parties - and also that there might be some confusion as to its true meaning and significance. I hope that what I have said in the earlier part of my speech will have made the meaning and significance clearer and that, to that extent, there will be less anxiety. I hope also that what I have had to say about the local political party implications will also assist people in distinguishing between the facts and the distortions of those facts which have increased the anxiety. Finally, I hope that the repeated statements in regard to our wishes, the latest from the Prime Minister, will reassure everyone in Gibraltar.

I firmly believe, Mr Speaker, that the British Government and Parliament will stand squarely by Britain's commitment to Gibraltar. Even if some of those around me are losing their heads and blaming it on me, I have no doubt that, as on so many occasions in the past, my belief will be proved right. Even those who distrust the Foreign Office surely have no doubt of the strength and power of Parliamentary support for Gibraltar or of how readily that support would spring to our assistance if we should ever have to ask for it. Indeed, one of the motions put in by the Leader of the Opposition refers to that specifically.

Sir, I ask this House whether any Hon Member really believes it to be conceivable that, after all these years, when I have spared no effort to defend the wishes and interests of the people of Gibraltar, I should now recommend a course of action which, according to some people, would run contrary to everything I have tried to do in the last 30 years? Why should I do such a thing? What gain or profit or honour would I achieve by, as has been alleged, selling down the river the people for whose interests I have fought for so long? That people has placed its trust in my leadership. Can anyone really believe that, thirty years on, I am prepared to betray that trust?

I agree with one thing the DPBG said - that Gibraltar's vital interests must have absolute priority and that a strong and united front in Gibraltar is essential.

I ask the people of Gibraltar to be united at this time. We have always, somehow, been united in the past when our interests were under threat. We need to be united now if we are to take full advantage of the opportunities that lie before us. We need, not only unity, but the courage and the nerve to grasp those opportunities.

We are not yet out of our difficulties but I believe that we are on the threshold of eventual economic self-sufficiency through the expansion of Trade and Tourism and a successful Commercial Dockyard. I ask the political parties, for the sake of the people of Gibraltar, to join us in our efforts in these directions. At the end of the day, we can share the credit equally.

But, economics aside, let us look briefly also at the political situation and how it has developed. I recall the days of Franco and of Senor Castiella - the Spanish Minister of the Foreign Affairs. It was his belief, probably aided and abetted by a fifth column in Gibraltar, that an economic, physical and psychological blockade would break the spirit of the people of Gibraltar, that we would then ask the British Government to do a deal on sovereignty and that the ripe fruit would then fall into the lap of Spain.

Senor Castiella was proved wrong. But his belief, fully supported by the Franco Dictatorship, led to 20 years' estrangement between the people of Gibraltar and the people of Spain. It led also - and I stress this most strongly - to three other things. First it led to the unification of Gibraltarians and to the sharp realisation, which had lain largely dormant for over 200 years, of the Gibraltarian identity. Secondly, it led to an unprecedented intensification of the links between Britain and Gibraltar - in both directions. Thirdly, it led also, and not unnaturally, to a sense of Gibraltarian hostility towards Spain and everything Spanish.

We have come a long way since we were described by that distinguished representative of Spain, Senor Jaime de Pinies, as camp-followers and a 'parachuted' population.

Our own realisation of a separate and vital Gibraltarian identity was duly reflected by Senor Oreja when, as Foreign Minister, he was the first Spanish politician in office to recognise this identity. We must not forever look on the gloomy side. Let us also, from time to time, rejoice in progress.

But progress has been even better than this. Sir Geoffrey Howe said in the House of Commons on 28 November - and I quote - "Senor Moran, for his part, has made clear the importance which he too attaches to the wishes of the people of Gibraltar". Why, I ask myself, is this remarkable statement practically ignored by those who prefer instead to dwell on unjustified suspicion of Britain and of myself? Should not our newspapers have been full of this? - Not in a spirit of triumphalism but in a spirit of achievement.

In my Ministerial Statement on 30 November I quoted verbatim two sentences from Senor Moran's interview on 27 November. I quoted them in Spanish because I wished to reproduce exactly the actual words which he used and because I did not wish in any way to appear to be misquoting him. With your indulgence, Mr Speaker, I will quote these two sentences again. The first one was:

"No se puede preveer ni el ritmo ni el resultado de las negociaciones"

I translate:

"It is impossible to foresee either the pace or the outcome of the negotiations"

It seems to me incredible that this highly significant statement should also have received less than due attention. Here we have a Spanish Foreign Minister telling us that non-one can say how long the negotiations will take or what the result will be. That is his view. The view of the Jeremiahs and Prophets of doom in our midst appear to be that Spanish sovereignty over Gibraltar is now, to all intents and purposes, virtually assured.

The second sentence I wish to quote from Senor Moran's interview on 27 November is even more a matter for rejoicing on our part and, if I may say so with all respect, a measure of the development of democracy in Spain. This is what he said:

"En ningun caso la Gran Bretana podria tomar una decision respecto a Gibraltar, teniendo en cuenta que esta en vigor la Constitucion del 69, en contra de la voluntad de los Gibraltarenos sobre los deseos de los Gibraltarenos"

I translate:

"In no way could Great Britain take a decision on Gibraltar, taking into account the fact that the 1969 Constitution is in force, against the will

of the Gibraltarians, over the heads of the wishes of the Gibraltarians"

This enormously significant statement - significant for the new democratic Spain as well as for Gibraltar - has also gone virtually unnoticed or unheeded in Gibraltar. And yet, surely, it is as close as anyone in Gibraltar could expect a Senior Spanish Minister to go in recognising, for the very first time, that it is indeed the wishes of the Gibraltarians that matter and that Britain is not going to act against those wishes. Senor Moran believes this but it appears that some people in Gibraltar prefer to believe that Britain will not respect our wishes. Senor Moran's statement is a far cry from the paternalism of the last 20 years in which the Spanish Government have stated that they would respect our interests, without saying, during that period, who would determine what our interests are.

Sir, I ask myself, is it a lack of political comprehension or is it a piece of deliberate political opportunism that neglects or sets aside this advance in Spain's understanding of our position, and of the British Government's position, in relation to Gibraltar?

Sir, I too will quote from "The truth about Gibraltar" that booklet, signed by Mr Peter Isola and myself in October 1981, ends as follows:

"We have only one recommendation to make: That the fundamental right of the people of Gibraltar to determine their own future, in peace and good neighbourliness, without harassment or pressure of any sort, be respected. Britain has respected this right. No truly democratic country can fail to do so".

It is my belief that the new democratic Spain has now done so. This too is a matter for mutual rejoicing.

Sir, the subject matter is such that one could speak on but I appreciate the limitations and I shall no doubt have more to say, in the give and take of debate on this motion and on the Leader of the Opposition's amendment and his own two motions. But I must now draw my speech to a close.

In doing so, I call on Hon Members opposite, and on the people of Gibraltar as a whole, to trust my judgement fortified by the support of my colleagues. Sadly, I suspect, Hon Members will not do so. But I think the people of Gibraltar will.

I have said on many occasions in the past that, if at any time, I were to believe that steps were being taken which might be contrary to the interests of the people of Gibraltar, I would say so publicly. As I have also said, I will be present at future talks at Ministerial level representing the Government of Gibraltar. It is not in my nature, nor in my philosophy, nor in the responsibility which I bear on behalf of the people of Gibraltar, to agree to anything which might be prejudicial to our beloved city.

Today, I see the way ahead for Gibraltar with far greater optimism than at any time in the last 20 or 30 years. Today we have an opportunity to consolidate the Gibraltarian identity, in both political and economic terms, in a way which will enable us to stand on our own two feet. Let us not throw away this opportunity for the sake of party political prejudice or because of totally unfounded fear and mistrust.

Sir, I have the honour to commend the motion to the House.

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

HON J BOSSANO:

Mr Speaker, I have listened very carefully to what the Hon and Learned Chief Minister has had to say and I am glad that he considers it is important to analyse things and to draw conclusions and not to indulge in emotional outbursts. I must say that it seemed to me for much of the time that he was talking that he was talking to my amendment, which I will move in due course, rather than to his motion because if we start by analysing his motion we have to ask ourselves what it is that this motion says? The motion, Mr Speaker, seems to imply that if you do not welcome the Agreement done in Brussels on the 27th November it means you do not express your appreciation for the British Parliament, you do not have confidence in the British Government and you do not declare that the wishes of the people of Gibraltar is to retain sovereignty so we have a four-part motion three of which have got nothing to do with the fourth unless the Hon Member is saying that there are two choices; either we all agree with him or we are all disloyal, anti-British and everything else. I assume he is not saying that and the motion does not intend to say that and therefore I have to ask myself what the Hon member asked himself on the 7th December, 1980, when I brought a motion to this House which read: "This House considers that Spanish nationals cannot be granted the same rights as EEC nationals in Gibraltar prior to Spain attaining full membership of the EEC" - which is what they are being granted under the Brussels Agreement - and I said on the

7th December, 1980, they could not be granted that and the Hon and Learned Chief Minister said, addressing you: "Finally Sir, I wonder if it was really necessary to bring this motion before the House. I am sure the Hon Member does not believe that anyone in this House does not hold the views expressed in the motion". Well, it is quite clear that Hon Members including him held these views on the 7th December, 1980, and they have changed their mind since then, they have changed their mind since then and we have not, Mr Speaker. He was saying then: "Is it that the Hon Member opposite is bringing a motion here which is self-evident in order to tie my hands?" I have said already on television that that is a physical, psychological and political impossibility. To tie the Hon Member down is like trying to hold a slippery eel, Mr Speaker. He has got every single twist and turn that any politician could think of, he can go back forty years and remember when he said anything and everything that anybody might have said to justify whatever particular stand he thinks is convenient for him or, perhaps even best for Gibraltar, I am not going to accuse the Chief Minister of being anti-Gibraltarian. I am not going to say that if I am critical of the decision which he is committing Gibraltar and which I do not think he has the right to commit Gibraltar to, that that means that he is wanting to sell Gibraltar down the river, although I must say that for one moment he reminded me of one of the earlier experiences that I had on joining the House of Assembly in 1972 when I went with the Hon Mr Zammit on a CPA Conference to Malawi and I heard His Excellency the Ngwazi Dr Hastings Kamuzu Banda saying how could anybody think of him and Malawi not being the same thing and it seems to me almost as if Sir Joshua Hassan was going down that road and saying: "Aren't Gibraltar and me an inseparable unit, not like the people and the territory?" I suppose it is possible without actually committing treason, to consider that the Hon and Learned the Chief Minister is not infallible, I suppose that is permissible within the existing Constitution and therefore we question if nothing else at the very least his infallibility, at the very least that much, Mr Speaker. As I have said, as far as the motion is concerned, it is not a question of whether this House declares that the people of Gibraltar want to remain under the sovereignty of the United Kingdom, it is the people of Gibraltar who say so. It is not a question of whether we have got complete confidence in the British Government's declaration or not, it is that the British Government has got an obligation, an international obligation repeated 101 times that they have to do it. It has nothing to do with the word confidence, they are obliged to do it. Are we having second thoughts? Is the Chief Minister in doubt and he has to put it to the vote? As far as we are concerned this motion is either about welcoming the Agreement or not welcoming the Agreement, the rest is irrelevant, the

rest is self-evident and the rest is unnecessary and if the Hon and Learned Member thought that we would have any problem in dealing with the rest, well, the fact that we have put two other motions on the Agenda to deal with the issue of sovereignty and the issue of the confidence that we place in the British people and the British Parliament to uphold the right of self-determination of the people of Gibraltar should be self-explanatory. I will now deal with the analysis of the Hon Member which he has used to try to persuade us to welcome this Agreement. I think it has been useful to hear him telling us when and how it happened and I certainly think it is peculiar that he should say that his address to the Royal Institute of International Affairs which took place on the 14th November was then followed by a meeting on the 15th November where it was suggested to him by the British Government that EEC rights might be offered to Spain at a future date but prior to Spanish entry and that he should be willing to go along with that and that he would not have changed what he said to the International Institute if that had been suggested to him on the 13th November instead of the 15th. I find that very odd, Mr Speaker. Well, perhaps I should not find it odd because as I said before there is a long, long record of the Chief Minister saying all sorts of things and saying something different or what appears to the ordinary average citizen something different until one hears his theological explanations of why it is that two and two do not make four, they can make five or three depending on the circumstances, the environment, the time of the day and all sorts of other contributing factors. What did the Hon Member have to say on the 14th before he agreed on the 15th that it was possible to advance EEC rights. He was quite categorical that the Lisbon Agreement was not being implemented because, in fact, the Spanish Government were going back on their word. He said the British Government have been consistently ready, indeed, eager to implement the Agreement with the Spanish Government, an Agreement which he tells us today is inferior to the Brussels Agreement because it must follow that if the Brussels Agreement is better the Lisbon Agreement must be worse. We were eager to implement an Agreement that was less favourable to us than the Brussels Agreement and the Spaniards didn't want to do it. The Spaniards are now eager to implement a Brussels Agreement which, according to the Chief Minister, is better for us. Certainly, I can understand his enthusiasm from Senor Fernando Moran, particularly at this time of the year he almost sounds like Father Christmas when one hears the Hon and Learned Member describing the magnanimity to which we are being subjected. The Hon Member explained why the Spanish Government was not implementing the Lisbon Agreement. He said: "that while acknowledging its continuing validity they consistently refused to act" - the Spanish Government - "they want the British Government to grant Spanish nationals equality of rights with

Gibraltarians or, alternatively, the rights of European Community nationals". This was on the 14th. On the 15th he agreed that that should be discussed with Spain and he said that even if he had agreed it before he would still have said the same thing. He also explained why we were against it, Mr Speaker, he explained why we were all against it, all the Members of this House. "We in Gibraltar naturally hold strong views on this claim since equality of rights between a country of 34 million and a community of 30,000 could obviously have serious practical repercussions for the latter". Why is it that that was true on the 14th November and is not true today and not on the 15th? Why has the Hon Member not explained to us if he wants to persuade us, why has he not explained to us that everything that we have discussed for four years in the House of Assembly Committee on the Common Market is nonsense because for four years we have been doing precisely an exercise designed to ensure that when the time came we didn't have to give Spanish nationals full EEC rights for all the arguments that had been put ad nauseam by him as well as by me within the EEC Committee, within the House of Assembly, to a Foreign Affairs Committee, in motions in this House, there is a whole history, Mr Speaker. It isn't enough for the Hon Member now to come along and reduce his defence of the Brussels Agreement to one thing, the slogan that has served him so well for so many years - "If you want Massan, vote for the eight". Well, it is not on, he may be able to say that to the other seven but he cannot say to the fifteen, Mr Speaker. He may be able to say it to the people of Gibraltar, he may be right and he may have proved it by winning three elections in a row and, indeed, even the 1969 election really was won by the AACR because they took seven seats and they were kept out of power for three years because a group of three independents joined with the five IWBP so he can say quite legitimately that as far as he is concerned the people of Gibraltar have consistently put their faith and trust in him. That doesn't make him infallible, that doesn't mean he cannot make mistakes and it doesn't make him right. Mr Speaker, what I am saying is he must understand that that is not a sufficiently strong argument because he has asked us to be analytical and we are quite happy to be analytical. We will analyse everything that he has told us, everything he has told the Foreign Affairs Committee, everything he has told the people of Gibraltar, everything he has told Parliament, what we have gone to the EEC for, we have analysed all that and we come to the conclusion that the Brussels Agreement is bad news or that we have been making fools of ourselves for the last four years. If the Hon Member came to us and said: "we have had evidence", and certainly if he had evidence to show that the analysis of the impact of Spanish entry into the EEC was totally mistaken, then I would put it to him that since the 15th November that should have been brought to the notice of the EEC Committee. In September

this year we went to Brussels because we were worried about the effect at the end of the seven years of the transitional period. We were discussing there with Mr Hannay from UK the question of getting derogations from the EEC and getting changes in the conditions that apply to Gibraltar as regards directives and so forth and that we needed to do that before Spanish entry. At the same time as that is being done with us, with the Opposition, in a Committee which is totally confidential so it is not a question of whether it is confidential or not, that doesn't enter into it, that Committee has never allowed a minute to come out. I think we should make public everything we have discussed in that Committee and let the people of Gibraltar because now it cannot be a secret anymore, now it doesn't matter if the Spaniards know. The main argument was that if the Spaniards knew the fears that we had, then that would make us very vulnerable so all the fears that we have had about the impact on our economy had to be kept top secret. But if we have given them all the rights it doesn't matter now whether they knew the fears that we had or not because either the fears are totally irrelevant or we are not going to be able to protect ourselves because we are committed and the Government may be more committed than they think they are. It remains to be seen in practice whether many of the answers that they gave us to questions earlier on they will be able to deliver. As far as we are concerned, Mr Speaker, the degree to which we have opened up Gibraltar to competition from a neighbouring nation which forgetting for a moment whether there is a Spanish claim and forgetting for a moment the question of sovereignty which we will want to develop in the other motions which are specifically designed to highlight that part of it, the practical effect of the relationship between Spain and Gibraltar within the Common Market is such that there can only be one way that Gibraltar can develop and that is inevitable because any two year old child can see that if you have got a 35 million nation and a 30,000 community on the doorstep and you allow the economic forces to work unhindered without any protective measures because you are not allowed to have protective measures because the whole concept of the European Community is to bring about integration and harmonisation and we were told that quite clearly, we have been told that in writing, we have been told that verbally, then it can only go one way towards the gradual absorption of Gibraltar into Spain and the degree to which it happens and the rate at which it happens will be determined to some extent by the conditions but the direction in which it will happen is not in doubt. We have been resisting that danger since I brought a motion to this House in 1980 and let me say that as far as the GSLP is concerned, the four years of the EEC Committee has been a total and utter waste of time because we haven't got one single thing to show for it except more information which we should have been able to obtain anyway because

sometimes we get information there on a highly confidential basis which you can walk into any office in the Common Market and just pick up a leaflet. But in 1980, Mr Speaker, I brought a motion to this House and I think the record will show that it has been the GSLP that has consistently been taking the initiative in this House on the question of EEC rights, on the question of no talks on sovereignty, on the question of no control over the airport, consistently, and at the time, as the Hon Member I think to some extent with justification points out now, there was a bipartisan approach which left me in this House in splendid isolation and I have no doubt that if the House was composed now as it had been composed then I have no doubt at all that the bi-partisan approach would be operating, that the Brussels Agreement would be the same thing as it is now and that the politicians who are criticising it now from outside the House would be defending it from within, I have no doubt, I may be mistaken but that is my own assessment of the situation because I have never seen anything different in the four years that they were here on many related issues. Is it, in fact, as the Hon and Learned Member suggests, that we are anti-him? Is it that one has either got to agree with the Brussels Agreement or to be necessarily politically prejudiced, fearful and distrustful and determined to bring down the AACR and Sir Joshua Hassan even if we destroy Gibraltar in the process? That is complete nonsense, Mr Speaker.

HON CHIEF MINISTER:

If the Hon Member would give way. I have not suggested that at all, in fact, I have made a plea to convince them, this is what I think democracy is all about. I have said that there were prejudices in some of the interpretations but I have never suggested that, certainly not this morning. In anything that I have said I hope the Hon Member realises that I haven't done that. I have made criticisms in the parameters of a properly constituted democratic institution.

HON J BOSSANO:

Well, I am glad that that has been cleared up, Mr Speaker. Let me say that the Hon Mr Perez did that analysis on his political broadcast when he said that as the Opposition party obviously we were not going to admit what a great victory the AACR had obtained in doing this Agreement. If this was a great victory for Gibraltar we would say to the AACR: "You have done a very good job". I don't think that that will make any less people vote for us, people vote for us because they believe in our sincerity and because they believe we can do a reasonable job in looking after their interests. One doesn't have to be spiteful or to try and make that what is black is white or vice versa in



order to gain votes and we don't want votes of that nature, anyway, we don't want to obtain votes under false pretences. As far as we are concerned we are opposing the Brussels Agreement for a number of specific reasons and they are very clear and they are reasons which are consistent with many of the things that the Hon and Learned Member has been saying for a very long time because in fact he goes back, obviously, much longer than I do and it is all very well for him to say to us now: "We are on the threshold of obtaining economic self sufficiency and economic viability and so forth". He must remember that with the passage of time it becomes increasingly difficult to believe him because we never seem to get past the threshold. We have been on the threshold for a very long time, Mr Speaker. According to the Hon Member, speaking on the 23rd September, 1964, to the United Nations Committee of 24, we were on the threshold then. If economic viability is being sought as a matter of urgency through tourism, even without the Pitaluga Report, in 1964, through tourism, light industry, port development, off-shore companies, as soon as this happens the way is open for the official abolition of the title of colony - this was on the 23rd September, 1964. Here we are in December, 1984, still in the threshold, Mr Speaker, we are never going to get past it. The message is now wearing thin, the Hon Member is stretching the credibility of the slogans that he uses to the maximum because he keeps on using the same slogans for so often. He still, and I have to grant it to him, he still seems to have this hypnotic quality which mesmerises huge sections of the electorate at the time when it matters, that I will grant to him, but we obviously are not included in that segment of the electorate that he has mesmerised, that is obvious, because he hasn't yet been able to get us to swallow what he would like us to do and what he may believe is the right way to approach it except that he doesn't make a sufficiently big effort to explain why it is that there are these dramatic differences in what he says on one occasion and what he says on another occasion. If we are talking about a situation where, as he has told us, Mr Speaker, in November, 1983, he had a meeting in UK on the 15th November after his speech in the Royal Institute of International Affairs and they said to him there: "We are looking at the possibility of giving Spaniards EEC rights in advance of their entry but when the entry date is nearer, when we are clearer", then how can he explain what he said in Gibraltar in December when he came back? And when Mr Malcolm Rifkind, I think it was, said in the House of Commons: "Transitional arrangements" - in answer to a question about.....

HON CHIEF MINISTER:

What date was that?

HON J BOSSANO:

This was on the 6th December, 1983, shortly after the Hon Member had had this meeting in UK. Mr Malcolm Rifkind was asked about the transitional provisions that would apply to Spanish entry and what Her Majesty's government was doing to limit the potential damage to the Gibraltar economy arising from Spanish entry which is what the EEC Committee was all about and Mr Malcolm Rifkind answered: "Transitional arrangements where relevant to Gibraltar would be the same for Gibraltar as for the rest of the European Community. We have told the Gibraltar Government that the Community is seeking a transitional period no less than for Greece. The Community is also seeking a declaration on the free movement of workers similar to that attached to the Greek Treaty of Accession". But these are not things for Gibraltar, this is the Community seeking it from Spain, not Britain seeking it for Gibraltar. For the Hon Member to say that the Spaniards have shifted because they were originally insisting that the transitional provisions would not apply to us, well, they might have been insisting on it but, surely, there wasn't a cat in hell's chance of them even getting near that because we were arguing in the opposite direction, we were arguing the rights that France can give Spain, the rights that Germany can give Spain, the rights that the United Kingdom can give Spain. After all, why hasn't the United Kingdom given them EEC rights from the 15th February in UK, why not? Why us here? We were arguing, Mr Speaker, we cannot afford to give it to them. It is not that we are anti-Spanish, it is not that we do not like them, it is just that we are too small and they are too big and they are next door to us. It is one thing to give it to 50 million Frenchman who are never going to come here and another thing to give it to 35 million Spaniards who are joined to us physically, there is a difference, that was our argument. So to say that in response to that argument we were being given the same protection as France is not enough, we were arguing that we needed more protection than France and more protection than Germany and more protection than big nations, that was our argument. When Mr Rifkind gave his answer, to me that answer was to say the House of Assembly Committee is in fact a little game that the natives are playing at and it keeps them sort of occupied and busy, they feel important in their little secret Committee but what is going to happen is that we are just going to rubber stamp the Agreement and say: "Right, it applies to UK and UK includes Gibraltar, period. No special considerations because of its size or its problems or anything else". Therefore I brought an adjournment motion to the House because I was upset by this and I said, Mr Speaker, that it seemed to me that the answer given by Mr Rifkind meant that he didn't know that there was a House of Assembly Committee, he didn't know that there was a motion passed by this House and he didn't know that

we were seeking to alter the rights that we gave to EEC nationals before we were required to give them to Spain. I didn't know at the time that the Hon and Learned Member had already agreed with the British Government the idea of bringing them forward. When we were considering not giving them at all, the idea of bringing them forward should be discussed with Spain and I certainly could not have drawn that conclusion from the Hon Member's contribution to that debate at all because he was very strong, he said: "Let me say I fully share the sentiments expressed", after he has already agreed to bring them forward.

HON CHIEF MINISTER:

If the Hon Member will give way. We are talking of two different things altogether. One is the fact that we belong to Europe and we have to join and the other one was trying to get the best conditions possible. Two completely different situations. We are in Europe as a matter of fact. The only option to the argument of the Hon Member is to leave Europe and that is one which, of course, is a major decision. What we were trying was to get the best terms.

HON J BOSSANO:

Mr Speaker, what is not a different thing is that we should be arguing with the Foreign Office and asking the Foreign Office to make representations to the Commission to say: "We cannot afford in Gibraltar to grant Spaniards EEC rights when the rest of Europe does", and welcome granting them earlier, that is what I do not understand. If it is good then we have been barking up the wrong tree for four years in saying to Europe: "This is disaster for us". If it is good, if we are bringing them forward because it is good then if it is good then we have all been wrong and the Chief Minister should have come along long before this and said: "Look, let us stop making all these representations because in fact giving them EEC rights is not going to hurt us, we can afford it and they will have to open the frontier when they join the EEC and they will get their EEC rights but we will gain so much from the opening of the frontier that will more than compensate for the EEC rights". And if that is true, if the equation is, Mr Speaker, that on the 1st January, 1986, Spain joins the Common Market we have then got a legal obligation to grant them a number of rights the same as other EEC nationals and they have got then a legal obligation which they have been left in no doubt about, we were assured of that by Senor Natali himself, they have been left in no doubt at all that if they came into the Community the restrictions had to go and it wasn't just Britain saying it, it was the Community saying it and the Community made it clear to us that

they had had to argue with Spain on this one and that it wasn't true that they were not doing anything for Gibraltar because in fact they were prepared and had been prepared to be quite forceful with Spain to the extent that they were talking about the removal of restrictions but not when it came to changing any of our conditions. If that is the scenario and we are looking into the future and we say to ourselves: "Right, they come in in 1986 and their coming into 1986 has got plus and minuses", and we do an analytical study which the Hon and Learned Chief Minister recommends to do and which we support entirely as the kind of philosophy that one should adopt to try and come up with answers to problems, then it is very simple. You add up all the minuses and you add up all the pluses. If there are more pluses than minuses then the sooner you introduce that the better off you are, so if you are going to gain in 1986 then by all means do it in 1985 because you will start gaining earlier. But if you are going to lose in 1986 then by introducing it in 1985 you lose earlier. Which is it? Is it a gain or a loss? We are now being told that it is a gain because otherwise there is no point in welcoming this. It isn't enough to say: "Well, it was going to happen anyway on the 1st January, 1986", which we would question but let us take that analysis step by step, that the position is; well, it is going to happen anyway on the 1st January, 1986; on January, 1986, Spain joins the Common Market, Spain obtains rights throughout the Common Market, including Gibraltar, no difference between the rights in Gibraltar and the rights anywhere else and she treats Gibraltar no different from the way she treats any other Community member and all the restrictions are lifted and it is no good saying: "Well, they might not have lifted the air ban". I think they would have lifted the air ban and they would have lifted everything. I cannot conceive Spain keeping any restrictions because Mrs Thatcher has said it very clearly and very categorically and we are being asked in the motion to have complete confidence in the British Government and since the Hon and Learned Chief Minister asks me to have complete confidence in the British Government then I must say to him, if he has complete confidence in the British Government he cannot believe that Spain would have gone into the EC and kept the air ban or kept anything. Everything that is going now would have gone on the 1st January, 1986, and everything we are giving them now we would have given them on the 1st January, 1986, that is how most people see the Agreement. Certainly, that is the simplest way of explaining it. If the case is that that was going to happen anyway, what do we gain by bringing it forward and what do we lose by bringing it forward? If the Report that was prepared by the Chamber of Commerce, the discussions we have had in the EEC Committee for four years, the advice that we have had from Mr Forrester, the Port Study, which we have only seen a month ago but which has been there for two years, - the Port Study; Mr

Speaker, talks about the implications of Spanish entry and an open frontier on the development of the Port and some of the dangers - if all those things are correct then the conclusion would be that Gibraltar is going to be hurt economically by having to grant EEC rights to Spanish nationals on accession and getting the restrictions lifted. The degree to which it will be hurt is not easy to quantify because in economic forecasting you can never predict with 100% accuracy what is going to happen because you are predicting behaviour. Just like nobody could predict whether the pedestrian opening was going to mean 1,000 people a day going over or 100 people a day going over, what you could predict was that it would mean some people going over, so you can predict a direction but you cannot predict the magnitude of the flow. What we can predict, what everybody has predicted, they may all be wrong but even the Spanish economist who did a study came to the same conclusion, was that certainly potentially in the longer term or in the medium term, the situation might change and benefit Gibraltar but that in the short term the situation would be negative. So we can say: "Right, that is a minus. We know that we are going to be hurt economically in the 1st January 1986, and therefore bringing it forward means being hurt earlier". What is a plus? Well, I don't know what is a plus because what would have happened if we had done nothing? The Hon Mr Perez said in the television, what was our alternative? What is our alternative for getting the restrictions removed? We don't have to have an alternative for getting the restrictions removed, our alternative would be the alternative that the people of Gibraltar have been promised by the British Government consistently, that Britain would not permit a situation to take place where Spain came into the Common Market without lifting the restrictions. If it had been done like that, if we had arrived at the stage where Spain would have lifted the restrictions because of Spanish entry, there would have been no question of a bilateral agreement, we would have had to give them the rights because to some extent of our own failings, and I have to say that I believe that if the Government and the then Opposition had supported the motion that I brought to the House instead of amending it we might have got somewhere because the motion that I brought in 1980 didn't propose a Committee to study what needed to be done, it spoke of going to the British Government to get our terms of membership altered in order to protect our businesses and our jobs in 1980 and we should have started doing it in 1980, period, forget the Study of what needs to be done, we should have gone to the British Government and said: "Look, it is obvious that something needs to be done because of the disparity of size and we want you to go straight away to the Commission and raise the matter before the thing gets so far down the road that it is irretrievable". I am not suggesting that that would have

guaranteed success nor am I suggesting it would have been easier but what is patently obvious that setting up a Committee to study the matter - and I remember that in the initial amendment, in fact, that was moved in the House it was even more watered down, the Chief Minister wanted to say that the study should be made to see whether there was a need to protect the economy and he accepted that if I had thought a study was necessary to establish whether it was necessary or not then I wouldn't have brought the initial motion. So we put a motion in which, effectively, recognised that we needed to get special arrangements to protect Gibraltar's economy and that we would find out what those arrangements should be and we have not achieved that. The arrangements that we have got today and the arrangements we had in 1980 are exactly the same and therefore nothing is going to be changed. When the Chief Minister was talking in December, 1983, after his meeting in November, 1983, he didn't give any indication in his contribution on the adjournment that he thought we could afford EEC rights, in fact, he was saying: "Well, if the British Government doesn't know that there is a House of Assembly Committee then that is the British Government's fault, it is not my fault because they ought to know because they have been kept fully informed of what we are doing here and of our fears and what we want done". I would put it to him that the British Government must have been quite confused by that stage because if he was saying to them that we could not afford the EEC rights I do not see how he could also say to them that he agreed to the question of bringing the rights forward being discussed. To me the two things are mutually exclusive. Undoubtedly, for most people of Gibraltar, Mr Speaker, and I do not want to develop this point because, as I say, I think it deserves to be debated on its own, it is the question of sovereignty, undoubtedly, I think for most people the fact that the word sovereignty appears in the Agreement is qualitatively different. It was implicit in the other one, the Hon Member expressed a reservation because the possibility was not excluded, but of course to say that the possibility of something happening is not excluded doesn't sound as awful as saying that something will happen and that is what the new Agreement says that it will happen. I am only mentioning it now because that is another of the minuses in the sum. We have got the negative effect of EEC entry being brought forward, we have a situation where there is an explicit reference to the negotiability of Gibraltar's sovereignty and let us not forget because I think the Spanish Government and Senor Moran said that he didn't want to give the impression that they were crowing with victory when he got back to Spain but I think on that particular issue alone the Spaniards can claim a major diplomatic victory not because it means that on the 16th February Britain is going to come along and say: "Right, Gibraltar is now yours, there you are", no, but because in

1964 Mr King in the United Nations was adamant that sovereignty was not negotiable, the British Government had no doubt about its entitlement to sovereignty, sovereignty was not a matter for the United Nations, it had nothing to do with the Committee of 24 and they were not going to discuss it with Spain. And when the restrictions started in 1965 the Spanish Government wrote to the British Embassy saying that they were under the impression that if the restrictions that had been introduced on the 17th October at La Linea were lifted - this is when we were having delays with the passage of cars and so forth - then they would be prepared to start negotiations without previously excluding the possibility of sovereignty being discussed in the process, that is on the 10th February, 1965. On the 22nd February - and it is almost twenty years to a day, February is when they are going to implement the Brussels Agreement and agree to include sovereignty in the negotiating process which Spain asked for on the 10th February, 1965, and we have agreed to on the 15th February, 1985, whether we like it or not but then twenty years ago there was a categorical rejection by UK. Her Majesty's Government did not consider sovereignty to be negotiable and there was no agreement to enter into discussion which would imply, never mind say so, imply that the negotiation of the rock's sovereignty would be included. That position led to the restrictions being imposed. The restrictions are now being removed not just because that has been obtained but because, in fact, we are doing something totally different, we are doing something we do not have with anybody in the EEC other than the United Kingdom. The Hon Member has asked us to be analytical. I will ask him now to be analytical as well. Does he understand that the nature of the relationship between us and the Common Market is such that for Community purposes Gibraltarians are United Kingdom nationals irrespective of whether they have exercised the right to register for a UK passport or not, we are United Kingdom nationals for Community purposes. Why? Because the Community does not recognise us as a separate national entity with separate rights and separate obligations so whatever applies to the United Kingdom by virtue of its term of membership applies to us other than the question of VAT and the Common External Tariff which we agreed initially would not apply to us. It is for this reason, Mr Speaker, that for example when you look at the Social Insurance Legislation in Gibraltar and the leaflet put out by the Department it says, in Part 6: "For the purpose of EEC Social Security Regulations, Gibraltar is part of the United Kingdom and in order to operate the regulations between the two territories - that is, between the United Kingdom and Gibraltar - an agreement is in force which treats the United Kingdom and Gibraltar as separate states". So until now we have a situation where we have got a relationship between Britain and us which is bilateral because for the Common Market as a whole we are not an individual member, we

are part of the United Kingdom and part of its membership. From the 15th February we will have two bilateral agreements, one with Britain and one with Spain which makes it totally different from the relationship we have with any other foreign country in the EEC. There is no bilateral agreement with the Germans or the French or the Italians or the Greeks or anybody else, just with the Spaniards. We have just got an agreement that says that we give EEC rights to UK nationals in Gibraltar and they give it to us in UK because for the rest of the world we are part of them and therefore we are not covered by their agreement with the Common Market and we have another agreement which puts us on a similar footing with Spain and puts Spanish nationals on a similar footing as British nationals in Gibraltar and for what? So that the negative effect of the frontier will be brought forward ten months. Why is it so important? Why is it so important that we bring it forward ten months that we have to do this because we certainly would not need to do that at all on the 1st January, 1986. On January 1986, we wouldn't need to change our laws because our laws says: "Community nationals have x and y rights", and the moment that Spanish nationals become Community nationals our law covers them. We don't have to change our laws to say: "Community nationals" - because we didn't have a law that said: "Community nationals means French, English, Greek", no, if we did that then we would have to say: "Portuguese and Spanish" when the time came but we don't need to do it. We need to do it now because we are giving rights now. If one looks at Part IX of the Immigration Control Ordinance, Mr Speaker, there is nothing there specifying the nationality, a Community national is a community national and it is automatic that every time that there is an enlargement of the Community there will be an amendment to the Treaty of Rome which will have to be ratified by the Parliaments of the member states but we are not one of those, we are not one of the Parliaments of the member states, this is why for Community purposes Gibraltar is part of the United Kingdom. We are not signatories to the Treaty of Rome so we do not have to ratify it, if we had to ratify it we would be in a very strong position, we would then exercise the veto.

HON CHIEF MINISTER:

If the Hon Member will give way. Immediately Spain and Portugal join the Market we would have to amend our Communities Ordinance because in the Schedule of the Communities Ordinance it says the countries who have signed the Treaty of Rome and that is our legislation and we would have to come here anyhow.

HON J BOSSANO:

Mr Speaker, we would have to come here anyhow to change the Schedule. We are not talking about changing the Schedule to the European Communities Ordinance, we are going to have to change quite a number of Ordinances as the House will see when the time comes next month for the laws to be changed and we are going to have to do it because, in fact, we are granting rights to Spanish nationals in Gibraltar which they do not have anywhere else in Western Europe, they do not have that anywhere else in the Common Market only in Gibraltar. Alright, in exchange we are getting the rights over there, yes, I know that, the Hon Member has said that in his contribution. In his defence for the Brussels Agreement he draws attention to that as if to say, well, is it that we want people to forget the rights that we are getting across? No, it is not that we want people to forget the rights that we are getting across, it is that we believe, as he did when he spoke to the Select Committee on Foreign Affairs, that the people of Gibraltar are not interested in getting rights on the other side. He told the Foreign Affairs Committee that, we believe it is true, so it is no good coming along and saying to us: "But what about the rights they are giving us?" You have already said that we are not interested in those rights, you said so. When the Foreign Affairs Committee was saying: "Isn't it true that Gibraltarians are being offered or can obtain or that Spain is willing to grant all sorts of rights to them in Spain, isn't that true?" And you said: "Well, it may be true but it is not a question of whether they get the rights or not because people in Gibraltar are not interested in acquiring rights in Spain, what they are interested in is in protecting their own community from a Spanish take-over". In the submission of the Hon Member to the Foreign Affairs Committee again he was quite clear why the Lisbon Agreement was not being implemented. He said that it was because of the interpretation, which he considered to be contrary to the spirit of the Lisbon Agreement, that the removal of the restrictions had to be coincidental with the granting of EEC rights whereas the interpretation of the Government of Gibraltar then, the interpretation of the British Government was that in fact it didn't have to be coincidental that this was a possible thing that might happen in the future, that is, just like there was this possibility of discussing sovereignty and now it is no longer a possibility it is now a concrete commitment. there was also the possibility that future cooperation might materialise and provided it was mutually beneficial would involve or could involve or might involve equal rights in a particular sphere. That wasn't what the Spaniards understood by the Lisbon Agreement and therefore the Spaniards were insisting on something different. And the Hon Member said: "It would be totally contrary to the spirit of the Lisbon Agreement if the removal of the restrictions were

to be delayed until because of imminent entry into the Community that removal became necessary in any event. Would Britain then still be bound by its commitment to negotiate? Not in our opinion". Well then why did he agree to it on the 15th November, 1983, why did he say to the British Government on the 15th November, 1983: "Yes, I think it is a good idea that we should consider bringing forward EEC rights when their entry into the EEC is imminent"? Why didn't he say to them what he said in public in Gibraltar to the Foreign Affairs Committee: "No, I do not agree, either they implement the Lisbon Agreement or the Lisbon Agreement is dead", which he has said many times, it is now defunct, it has now been overtaken by events, the Spanish entry into the EEC has overtaken the Lisbon Agreement. He told the Foreign Affairs Committee: "If Spain is going to wait until a few months before entry and they have said now on implementing the Lisbon Agreement and now you have to negotiate, we do not think that that is right and it is contrary to the spirit". The commitment to negotiate was to get the restrictions lifted in 1980. We opposed the Lisbon Agreement, Mr Speaker, and we opposed it on a matter of principle but certainly the Lisbon Agreement is more defensible than the Brussels Agreement, I don't see how the Hon Member can argue the other way because in fact in 1980 the Government could argue in 1980 that all that the Lisbon Agreement gave the Spaniards was a promise of what might or might not happen in the future, all that the Lisbon Agreement talked about was future cooperation being on the basis of equality of rights and that might mean a lot of things or might mean nothing, it was sufficiently loosely worded to be capable of more than one interpretation. In exchange for that the Spaniards lifted the restrictions without getting any rights. We were against it because it implied that sovereignty was not excluded from the negotiations and because it implied that equality of rights might materialise and because it implied that we were giving concessions in exchange for the removal of the restrictions which we had consistently maintained were unilaterally imposed and had to be unilaterally removed because they were wrong and Spain had to admit that it was wrong and they had to take them away. We were against the Lisbon Agreement for all those things but the Government could defend it then by saying: "We are gaining four years or five years, we are going to get the frontier restrictions removed before they join the EEC on more favourable terms than when they join the EEC because there will be the positive effect of the removal of the restrictions and there won't be the negative effect of the EEC rights". It didn't happen because the Spaniards wouldn't wear it and the Government's position was: "Well then if the advantage of bringing this thing forward four years is not going to be there why should we agree to sit down and negotiate anything with Spaniards when they are going to have to open anyway in a few months time?" They haven't said why

that was true when they spoke to the Foreign Affairs Committee, I think it was in 1981, and it wasn't true in November, 1983, and certainly the House had no indication at all that there was a change of attitude on the part of the Government of Gibraltar and the electorate had no indication at all in February of this year, the electorate in my judgement - it is not that it happens like that and we all know it, Mr Speaker, we all know that neither in Gibraltar nor anywhere else do people do a sophisticated analysis of the issues that are at stake when they decide to vote, what makes people go is traditional loyalty, we all know that, but it is valid, I would submit, without wanting to be anti-AACR, without wanting to distort the facts, without wanting to bring down the Chief Minister or the Government, it is valid to say any thinking person voting for the AACR in January, 1984, would have done it on the basis, if he had cared to read what had been said, that the AACR's position on this issue apart from the fact that they supported the Lisbon Agreement and we didn't, was the same because their support for the Lisbon Agreement was heavily qualified by the beginning of this year, their support for the Lisbon Agreement was already going down the road that they had put to the Select Committee of saying: "Look, the thing is you have had your chance, you haven't done it, you are going to have to open anyway, so why should I give you something now? It is not valid anymore, it has been overtaken by events". So any person that cared to have this matter as one of the influencing factors in whether he supported the Government or not would have found that the Government from all their public statements were maintaining a line which was to say: "Well, we were prepared to support the Lisbon Agreement in 1980, we didn't like it very much, we were not entirely happy with it, we entered a reservation but since it was going to give us the removal of the restrictions four years ahead of time we thought it was a price worth paying", but if all that we are going to get is a few months then the price is too much. And what do they do? They don't just pay the price in the Lisbon Agreement, they come back with an even higher price and tell us that they welcome the new Agreement, they tell us that the new Agreement is better than the old one without explaining why. They tell us that the granting of the EEC rights is not going to hurt Gibraltar without saying why they didn't say that to the House of Assembly, why they didn't say that to the EEC Committee. Therefore, Mr Speaker, I can only return the ball back to the Hon and Learned Member's court and say to him that I hope that having listened carefully to my arguments and having looked at my analysis he will now be able to support my amendment to this motion which I propose now to move and which reads: That the Hon Member's motion should be amended by the deletion of all the words in paragraphs (1) to (4), leaving the words "That this House", and the substitution of the following words:

- "(1) notes the refusal of the Spanish Government since 1980 to implement the Lisbon Agreement without a prior commitment granting EEC rights to Spanish nationals simultaneously with the lifting of restrictions.
- (2) Notes that the Lisbon Agreement states:  
  
"Both Governments have agreed that future cooperation should be on the basis of reciprocity and full equality of rights".
- (3) Notes that the recommendations of the Foreign Affairs Committee of the House of Commons that EEC rights be granted to Spanish nationals as an inducement to obtain the lifting of restrictions was unanimously rejected by this House during the debate on the motion on the subject of October, 1981.
- (4) Notes that the Gibraltar Government stated in the document "The Truth about Gibraltar" of October, 1981, that the Lisbon Agreement contained nothing to justify the Spanish Government view that EEC rights had to be granted to Spanish nationals on implementation of the Agreement.
- (5) Notes that the Chief Minister stated in answer to Question No.180 of 1984 that it continued to be his view, upheld by the British Government, that no re-negotiation or pre-negotiation of the terms of the Lisbon Agreement should take place.
- (6) Notes the terms of the Brussels Agreement that full equality of rights will be granted to Spaniards in Gibraltar and Gibraltarians in Spain by the mutual concession of EEC rights simultaneously with the lifting of restrictions against Gibraltar prior to 15th February, 1985.
- (7) Considers therefore that a re-negotiation of the Lisbon Agreement has taken place prior to its implementation on the terms demanded by Spain since 1980 and in total disregard for the views consistently expressed in this House by Gibraltar's elected representatives and calls on Her Majesty's Government to respect the wishes of the people of Gibraltar by not proceeding with the Brussels Agreement".

And now I will speak to my amendment. Unlike the original

motion, Mr Speaker, which I criticised for containing three paragraphs which were self evident and self explanatory and did not necessarily lead to the fourth, the amendment that I bring to the House brings to the attention of Members the reasons why we should not proceed with the Brussels Agreement because to proceed with the Brussels Agreement is to eat every word we have said previously and if we are going to do it we have a better reason than to be told by the Hon and Learned Chief Minister that he has been at the helm for a very long time, that everybody trusts him and that we should trust him, that why should he want to do anything that is bad for Gibraltar and that that is sufficient reason in itself. Well, if the Chief Minister was prepared to move in this direction in November, 1983, and the impression that he has given is that in fact in the negotiations, although he said in Question No.180 that it was his view that there should be no re-negotiation or pre-negotiation of the terms of the Lisbon Agreement, he can hardly tell us today that no negotiation or pre-negotiation has taken place when he says that the Spanish Government was originally asking for immediate EEC rights without a transitional period and then they softened their position, if that is not negotiation then I would like to know what it is. If people change their positions in a process where it is discussing, that is what negotiations are, so there have been negotiations, there have been negotiations because according to him the Spanish negotiating position on the Lisbon Agreement was immediate free movement of labour with no transitional period and they have shifted their ground from there to accepting the same transitional period as in the rest of the EEC but that they would have had to accept on the 1st January, 1986, there is no question about that. If there is one thing we have found about our relationship and our approach about the EEC is that it is very difficult to get the EEC to make exceptions, that the EEC dislike intensely making exceptions and that they are very worried about making exceptions because of the fact that there are a lot of interested parties watching every conceivable exception to every conceivable rule to see how they can be exploited as a precedent for whatever they want and therefore we have the EEC on our side on the question of Spain not getting more rights in Gibraltar than they would get anywhere else. We had the EEC against us on the question of Spain getting less rights for the same reasons. I don't think that the EEC was taking an anti-Gibraltar and pro-Spanish line, I think the EEC was saying: "Look, these are the rules and those rules apply to everybody the same and therefore we will not accept a Spanish view that the seven-year transitional period does not apply in Gibraltar and we will not accept a Gibraltar view that it should be, for example, fourteen years in the case of Gibraltar", because uniformity is part of the philosophy of the EEC and because, in fact, as I say, if they gave us fourteen years no doubt Luxembourg would

want fourteen years, if they gave Spain less than seven no doubt Greece or Portugal or somebody else would want another exception. It is in that context that the Chief Minister's answer to my question has to be understood, there was going to be no re-negotiation and the Lisbon Agreement was as it had been stated by him to have been and as I refer to in the other parts of the amendment, Mr Speaker, the refusal of the Spanish Government to lift the restrictions and it looked at one stage in 1982 as if in fact the Spaniards had gone back completely on their initial refusal, that is, the position that the Hon and Learned Member was putting to the Foreign Affairs Committee, the position that he put in his document "The Plain Truth" and the position that had been put in motions in the House of Assembly appeared to have won the day by 1982 when Senor Calvo Sotelo and Mrs Thatcher agreed to the implementation of the Lisbon Agreement, as far as we can tell, perhaps the Hon and Learned Member will correct me if I am wrong, but as far as we can tell they agreed it on the basis of the British interpretation of that Agreement not on the basis of the Spanish interpretation of that Agreement so, in fact, if the Falklands had not intervened then presumably what was planned for 1982 was the opening of the frontier, the removal of the restrictions against Gibraltar and the beginning of a process by which both Governments agreed that future co-operation should be on the basis of reciprocity and full equality of rights. What does that say? It says that future cooperation should be, meaning if it happens, it meant that future cooperation would materialise to the degree that both sides wanted it, that was the constant defence being made of the Lisbon Agreement by the Chief Minister at the time. He was saying: "But we are not committing ourselves to anything because it has to be mutually beneficial. The development of the cooperation has to be mutually beneficial, the fact that we consider the proposal does not mean we are going to have to do anything. We are not agreeing to anything, all that we are agreeing is to look at proposals and if they are good for us we can say yes and if they are bad for us we can say, no". It was on that interpretation consistently used as a defence of the Lisbon Agreement that the frontier was going to open in 1982 and if it is not so then let the Hon Member correct me when he exercises his right of reply. It didn't happen because of matters that intervened since, it didn't happen because it got caught up in the Falklands dispute. After that, why didn't it happen? It seems that it didn't happen because the Spaniards went back to the initial objection, to the objection of 1981, to the objection that surfaced in the recommendations of the Foreign Affairs Committee and to the objection that was being reflected in the statements of the Chief Minister in 1981 where he said, as I have mentioned here in the document "The Truth About Gibraltar" he said, on page 17: "Fact 7" - the Report goes through a series of facts to persuade people

who might have been misled by the analysis of the Foreign Affairs Committee and we didn't subscribe to this document, we put in our much harder line as is usually the case on our own, Mr Speaker, but Fact 7 said: "Spanish sources, including the Spanish Foreign Minister, have stated in Spain that the Lisbon Agreement will not be implemented unless Spanish nationals are granted rights in Gibraltar equal to those of the Gibraltarians or the rights of European Community nationals".

"Comment - here again little comment is necessary - as the facts once more speak for themselves. A formal commitment entered into by Spain remains unfulfilled after a year and a half. The Lisbon Agreement contains nothing which would justify the Spanish Government's imposition of pre-conditions for its implementation. The Agreement states that future cooperation should be on the basis of reciprocity and equality of rights and that both Governments will be prepared to consider any proposals which the other may wish to make recognising the need to develop practical cooperation on a mutually beneficial basis" - all this highlighted and underlined. If all that is true, if that is the truth about Gibraltar in 1981, what is the truth about Gibraltar in 1984? The truth about Gibraltar in 1984, Mr Speaker, is that the terms of the Brussels Agreement - as point (6) in my amendment says - contains a commitment to giving Spanish nationals full equality of rights in Gibraltar and Gibraltarians in Spain and that this will happen in order to get the restrictions lifted, the commitment to do it is before the restrictions have been lifted. In the Lisbon Agreement the constant theme is that it will be talked about as a possibility as a result of the removal of the restrictions, not to obtain that removal. Given that analysis, I don't think any thinking person, Mr Speaker, can come to a conclusion other than the one that we draw which is that there has been a re-negotiation of the Lisbon Agreement, that the Brussels Agreement is materially different. It is no good the Hon and Learned Member shaking his head because the opposite side of the coin is no better news for him, I am afraid. If the Lisbon Agreement has not been re-negotiated then why did he stop it being implemented because then he is responsible for stopping its implementation, not the Spanish Government. Yes, if the Lisbon Agreement contained a commitment to grant EEC rights then the Spaniards were the ones telling the truth about Gibraltar, not him, he cannot have it both ways. If this is the truth about Gibraltar and the Spanish version was not true then the Spanish version has now been incorporated in the Brussels Agreement and the terms of Lisbon have been changed. If the Brussels Agreement is the same thing as the Lisbon Agreement dressed up in a different set of clothes then, fundamentally, the granting of rights to Spanish nationals was already implicit in the Lisbon Agreement and the Spaniards were absolutely right to say that it was the British who were going back on their word. If that was being resisted by the

Gibraltar Government it must have been because it was bad for Gibraltar because we are accepting the Hon and Learned Member's request that we should look at this analytically and not assume that he is going to want anything that is bad for Gibraltar so that is what we are doing. Therefore we are going to assume that when he opposed it, when he said: "No they cannot have rights, they have not been promised that, they are twisting the Agreement around" - that he was doing what was best for Gibraltar then and that he was fighting it because to give them the right was bad for Gibraltar. Today we assume he is doing the best for Gibraltar again, today he is saying: "It is good for Gibraltar, we welcome the Agreement, it is a big victory for us". He needs to explain to us why, why was it wrong then, why was it bad then and why is it good now? It isn't enough to be told that it was bad then because he said it was bad then and that it is good now because he says it is good now. That might work with the other seven Members of the Government, they may have no choice, I suppose, they are so used to working under that system that they all indulge in beautiful tapping whenever the Hon and Learned Member makes his speeches.

HON J B PEREZ:

That also applies to your six Members.

HON J BOSSANO:

Mr Speaker, the Hon Mr Perez has had the benefit of working with me and therefore I think if he throws his mind back to those days, and I am not going to quote any of the things that he ever said in the campaign against the AACR, he will find that it didn't apply to him and it still doesn't apply and, in fact, it doesn't even apply if Members on that side can persuade us by rational arguments that there isn't this enormous patent and visible inconsistency which we can see. If they can demonstrate to us that in spite of that that I am quoting what they have said for years, what they have said for years and what they are saying today is compatible, then we will also tap the Hon Member when he stands up, he will have an opportunity to do it. It is not a question of simply saying: "We have to do it because we have got a party whip that says we are opposed to everything that the AACR does", that is not true and that has never been true since the election and it has never been true in the twelve years that I have been here as the sole representative of the philosophy that the GSLP defends today, Mr Speaker, because the consistency, I think, is visible. We are in fundamental disagreement with the whole process of getting restrictions lifted other than by the passage of time which is now imminent. We therefore consider that the fact that the Lisbon Agreement has been re-negotiated



is indisputable, incontestable, that the Government of Gibraltar having issued a Ministerial statement on the 30th November saying that they had welcomed the Brussels Agreement and saying they were now going to clarify the situation have failed to clarify the situation. They talk about the new Agreement, "under the new Agreement the balance would be restored, there will be free movement of people, vehicles and goods in both directions". Is the Hon Member suggesting that under the Lisbon Agreement there wasn't going to be free movement in both directions? How could the Spaniards be talking about lifting all the restrictions and not allow free movement? That is nonsense. The Lisbon Agreement is no different in that respect from the Brussels Agreement. Where it is different is in our granting them EEC rights without being in the EEC contrary to a motion passed unanimously in this House which the Hon Member supported by saying on page 106 of the Hansard of the 17th December, 1980, Mr Speaker, the motion read: "This House considers that Spanish nationals cannot be granted the same rights as EEC nationals in Gibraltar prior to Spain attaining full membership of the EEC". The Hon and Learned Chief Minister said: "The Government takes the terms of the Hon Member's motion to be a statement of the factual position and will accordingly vote in favour of the motion. I do not want to go any further than a general comment because I see little merit and some danger in discussing in this House at this stage the question of rights" - this is because of all the worry we had about what it meant giving them the rights - "what Spanish nationals should or should not enjoy in Gibraltar. As we noted in the debate on full equality of rights on another motion by the Hon Mr Bossano in July to which he was referring and as I have said elsewhere, the question of the rights of Spanish nationals is a matter for discussion when the negotiations envisaged in the Lisbon Agreement actually take place, that is to say, when the Spanish restrictions are removed". That is not what is happening. What the Hon Member said in this House is not what is happening. We need to be told why what he said then is not happening, the converse is happening and the converse is welcome and good for Gibraltar and he supports it, he hasn't told us that so far, Mr Speaker. He has brought a motion which asks us to give our support to the Brussels Agreement, to welcome the Agreement and he hasn't told us why we should welcome it. Why, because the frontier is going to be opened ten months earlier than it would have done anyway? Why, because we are going to be given EEC rights in Spain which none of us want according to him? Why, because we get Spain off the hook, because we get Britain off the hook? What has it got to do with us? We are not here to get other people off the hook. If they have got a problem, too bad. As the Hon Member said earlier on, his heart bleeds for the EEC, well, ours bleed for the EEC, the Spanish Government and the British Government,

our heart is here in Gibraltar and we are here to defend Gibraltar and this Agreement does not put Gibraltar first, it puts Gibraltar last. We pay the price, we were worried about the price that we would be asked to pay for allowing Spain into the EEC without obtaining derogations for us. We have been worrying for four years and now we are imposing it on ourselves ten months early, why? People in Gibraltar are entitled to ask why and are entitled to be given sensible replies, it is not enough to say: "Because I am sure that it is the best thing for Gibraltar and as I am going to be there and I have never let you down and I have been around for forty years". Well, presumably, the Hon Member is not always going to be a round like Rip Van Winkle, presumably eventually the Hon Member through the inevitable wear and tear and the passage of the years will not be there and what do we do then, who do we turn to in that moment of desperation when we are deprived?

HON CHIEF MINISTER:

The Government of Gibraltar.

HON J BOSSANO:

Mr Speaker, I think it is as the Hon Member has said, a very significant point in the history of Gibraltar. I think the Brussels Agreement is a major departure from the stand that Gibraltar has taken consistently since the 1960's since the matter surfaced in the United Nations. A line initiated by the Hon and Learned Chief Minister and therefore he ought to be more wary of changing that line than anybody else because it is the line that he started off but it seems that there is a parallel between what suits the British Government at any particular point in time and what the Gibraltar Government is defending. I know that the Hon and Learned Member gets upset the moment that there is any hint of the fact that he may be dancing to the tune of the British Government, I know that, but I have to ask him what are we supposed to draw as a conclusion from a situation where the British Government says: "Sovereignty will not be discussed, sovereignty is not negotiable, you can put whatever restrictions you like", and the Hon Member defends that position, every politician in Gibraltar defends that position, the people of Gibraltar come out with their Union Jacks. What are we supposed to do on the 15th February? The Spanish flag? What do we do, we keep a whole range of flags of every nation in the United Nations and when they press the right button we produce the right flag. I think, Mr Speaker, it is a very important motion, I think it is a very important departure and I think we haven't heard or seen the last of this. Although the Hon Member in his Ministerial statement was saying that I didn't understand British democracy, that I didn't understand British democracy

because in fact Sir Geoffrey Howe had not said that the laws were going to be passed, he said that proposals were going to be introduced, that is sheer semantics, Mr Speaker, there is no question about it. Sir Geoffrey Howe signed an Agreement with Senor Fernando Moran saying: "Proposals will be introduced in Gibraltar". If you want to pick words then he didn't say 'in the House of Assembly', he said 'in Gibraltar'. "The necessary legislative proposals to achieve this will be introduced in Spain and in Gibraltar". What are we supposed to believe, that Senor Fernando Moran was saying: "I am going to try and persuade Fraga Iribarne in Spain to support this and you try and persuade Joe Bossano in Gibraltar", is that what the Agreement was? No, the Agreement was: "I will deliver and you will deliver", and this was the British Government that owns and runs Gibraltar, whether we like it or not, saying to the Spanish Government: "You deliver in your Parliament and I will deliver in mine". In the British House of Commons people have not all reacted with gushes of enthusiasm and euphoria, there have been people who have been expressing a certain amount of concern but the muted criticism that there has been has been killed totally by a defence on the part of the British Government which is 100% solid: "The Government of Gibraltar welcomes it". If the Government of Gibraltar welcomes it and the Government of Gibraltar has been elected to govern Gibraltar in 1984, who is anybody to say that it is bad for Gibraltar and the Gibraltarians? This, Mr Speaker, is a very, very serious decision for the Government to take purely on their own shoulders. We do not believe in bi-partisan politics. It doesn't mean we cannot act jointly because we acted jointly on the Common Market although as far as I am concerned what the Chief Minister has been doing with the Foreign Office and what he has been doing with me in the EEC Committee are totally incompatible as far as I am concerned because I don't see how we can say: "We have to protect ourselves against granting EEC rights", and at the same time be willing to grant the rights before they are required, anyway.

MR SPEAKER:

Were you expecting to be long?

HON J BOSSANO:

I would think about another half an hour.

MR SPEAKER:

We will then recess until 3.15 this afternoon.

The House recessed at 1.00 pm.

The House resumed at 3.30 pm.

HON J BOSSANO:

Mr Speaker, I said I was going to expand slightly on some aspects of the implications of the granting of EEC rights to Spanish nationals. In defence of the amendment that I have moved to the Hon and Learned Chief Minister's motion, I have relied more on things that he has said than on things that we have said, quoting extensively from previous statements in the House. The bringing forward of EEC rights clearly is the quid pro quo for the lifting of the restrictions. In his ministerial statement and, indeed, today, the Hon and Learned Chief Minister has said "What is the alternative of the GSLP?" I therefore want to quote as regards our position on the lifting of the restrictions what he had to say to the Foreign Affairs Committee on the subject. He said: "The restrictions were the product of a totalitarian regime which sought to subjugate Gibraltarians as it had oppressed its own people and denied them their freedoms for forty years. Their continuation by a democratic Government is as incomprehensible as it is incompatible with the provisions of the Treaty of Rome, the spirit of the NATO Charter, the principles of the Helsinki Final Act, the objectives of the Council of Europe and the requirements of the European Convention on Human Rights, in short, all the standards which Europe and Western democracies are committed to observe". If that is the case and if the Chief Minister still believes that to be the case, how can it be an 'honourable settlement' that in order to get restrictions removed which are contrary to what every civilised European democracy is expected to do, how can it be 'honourable' that in order to get that we have to grant in Gibraltar, rights which endanger our economic survival and which put at risk many of the things which we have consistently shown ourselves committed to defend and which we have been consistently lobbying the United Kingdom on. In July, 1983, when Mr Hannay came to Gibraltar, he was told clearly by all sectors of the community, by the Trade Union Movement, by the Chamber of Commerce, by the Government, by the Opposition, that Gibraltar could not afford to grant EEC rights because EEC rights in the context of an economy of our size in fact implied a greater burden and a greater commitment than indeed for any other member of the EEC. The essence of our argument was not that we wanted to discriminate against Spanish nationals but that, in fact, as had been said many, many times in the House on many occasions, the changes in our laws in 1973 were theoretical changes, we were giving in theory in 1973 the right of establishment in Gibraltar, the right to trade, the right of residence, the right of employment, to 300 million Europeans knowing full well that those rights were not going to be taken up, knowing full well that there was no real prospect of European companies attempting to compete in our local market.

We were just not in that and they would not be interested, in fact, as we all know there have been public sector contracts like the one for the desalination plant which have gone to EEC members but we are talking about contracts which effectively could not be carried out by Gibraltar firms, anyway. If it had not gone to a French firm it would have gone to a UK firm or a German firm, but effectively, there was no firm locally that could undertake the building of the desalination plant. We are now talking, as became clear in the answers to questions yesterday, to a position where people operating from the hinterland have got a right which it would seem from answers to other questions may be made administratively difficult and to what extent that strategy is successful remains to be seen, it doesn't alter the principle of what we are discussing, the validity of the Agreement or whether it is in Gibraltar's interest or not but in practical terms to what extent that is possible remains to be seen if somebody decides to challenge administrative obstacles because the Treaty of Rome is quite specific in that you cannot simply pay lip service to Community obligations in the hope that you can get away with it and when we went to Brussels I am sure the Hon and Learned Member will remember that when we visited the British legation in Brussels we were advised that it would not be in Gibraltar's interest to try and wriggle out of Community obligations in the hope that nobody would notice or in the hope that nobody would challenge it because sooner or later somebody might and if somebody did and they challenged it in a Spanish court and then the matter went to the European Court and Gibraltar was shown to be doing things which were in conflict with its Community obligations, it would put Gibraltar in a very bad light. That is a philosophy which we agree with, that is to say, we agree on this side of the House that if we have got Community obligations and we cannot meet them we should say quite clearly: "We cannot meet the Community obligations and we are not going to meet the Community obligations and therefore we want our terms of membership changed". This is what we have been trying to persuade, unsuccessfully, the Foreign Office to take up with the Commission on our behalf. I think if we simply say: "Well, let us hope nobody notices" and somebody does, we will then be on the defensive and it seems to us that the Brussels Agreement puts Gibraltar on the defensive, that the Brussels Agreement has got very little positive and much that is negative in it because apart from the argument used by the Hon and Learned Member that he is convinced that it is good for Gibraltar and that he doesn't want anything that is bad for Gibraltar and that we should trust his judgement, apart from that which is the appeal that he has really made here and to the people of Gibraltar to say that he puts his weight behind it and that that should be a sufficiently weighty argument to convince the rest of us, the

opening of the frontier creates a situation where by the very nature of the Treaty of Rome, the chapter in the Treaty of Rome that talks about the free movement of persons and services and capital, represents a philosophy which is intended to produce a situation within the Common Market which brings about a levelling process, which removes the distortions created by laws which protect different nations or different interest groups within nations. The whole push within the EEC, the battles fought by different member states in defence of their specific interests is that there are two conflicting tendencies. There is a tendency that political leaders in each one of the member countries feel obliged to try and protect the interests of their own electorate and fight for that and there is a theoretical commitment in the spirit of the Treaty of Rome which is to bring about a process where economic forces are allowed to operate unhindered by administrative and political obstacles. In that context where does Gibraltar stand with respect to its hinterland? It is an argument that goes straight back to 1964 and the United Nations. The argument that was being used by Spain in 1964 may have changed in some respects in that they may be using less abrasive language, as the Hon and Learned Chief Minister has said - he says we are no longer considered to be a parachuted population, I would say that we have just been deprived of the parachute by the Brussels Agreement - but the logic of the Spanish argument was that Gibraltar was an artificial economic unit sustained not because of any natural resources, sustained artificially by defence expenditure and that therefore we were not a real community in the real sense of the word but a community of camp followers, a community of people serving a military base and that if the military base disappeared the economic essence of Gibraltar disappeared. That was the argument that was used in 1964 and there is the same inherent logic in the argument today of economic cooperation and implicit in the Lisbon Agreement. Perhaps what the Hon Member has said is right because we didn't support the Lisbon Agreement, perhaps he is right in saying that all that the Brussels Agreement has done, and it appears to us to do much more, but perhaps he is right in saying that all that the Agreement has done is to spell out in public what was already understood in private. If that is the case, then the defence of the Lisbon Agreement by the Government and by the then Opposition was only a half truth because the defence of the Lisbon Agreement was that it was an Agreement which was open ended, an Agreement which made possible certain things but not necessarily inevitable. We still had in the way the Lisbon Agreement expressed future cooperation, the option of deciding to what extent and where we would cooperate. I think the Brussels Agreement is more specific in that it carries within it the logic of the Common Market and the logic of the Spanish position for the last twenty years that you are talking about

economic development of the Campo Area. Certainly, this is how it is clearly understood on the other side, there is no question about that. The people who were interviewed after the Agreement, the people who have come out on programmes on Spanish television, the political leaders on the other side, are clear that what is envisaged in the Brussels Agreement is the development of the area - not the development of Gibraltar - they are talking about a sort of development corporation for the area, possibly financed jointly, they are talking about a Regional Authority in which there will be participation from seven municipalities - six on the other side and one on this one - so they are talking about a situation where whilst putting on one side the question of sovereignty and saying: "We have now agreed that we are going to talk about that but that is for the moment on ice, let us get on with the practical job of behaving as if" - We are not talking about two nation states cooperating with each other, the Spanish nation state and the Gibraltarian nation state, we are not talking about that, we are talking about the development of a particular area of the Andalucian region using the resources of that area and therefore we heard people say on television: "We have got a lot going for us in this area. We have got an airport, that is, we Campo Gibraltarians have got an airport, we have got roads, we have got a number of ports capable of development and a highly developed one". All that, Mr Speaker, is not new. Mr Seruya was saying that in 1963, regional economic cooperation. The basic problem about regional economic cooperation stems from the fact that you are cooperating with a neighbour that insists that the territory belongs to them and a neighbour that has been saying throughout, whatever they are recognising now and they didn't recognise before and as far as I am concerned it is not the first time that Senor Fernando Moran has shown himself susceptible to the requirement that the wishes of the Gibraltarians cannot be ignored, I think he showed himself susceptible to that when he was interviewed in the Man Alive programme in GBC a very considerable time ago and I think it is to be expected that he should react like that because, quite frankly, it is very difficult for him to continue to apply to himself the label of being a socialist if he puts a piece of territory higher in his order of priorities than the wishes of a community or the right of self-determination but apart from the fact that the Gibraltarians need to be wooed, which the British Government has been advising the Spaniards to do for as long as I can remember, apart from the fact that they need to be wooed, the major problem in wooing the Gibraltarians has been what could Spain woo them with? The level of employment on the other side? The level of wages on the other side? The level of social services on the other side? Our biggest protection has been, because at the end of the day it is easier to convince

people on bread and butter issues than it is on academic subjects about the future sovereignty of the Rock in ten or fifty or hundred years or whenever we want to think of. However far we put it into the future, the real issue is that the sense of security, of economic security, that we have had in Gibraltar has been the most important element in maintaining the will of the people of Gibraltar and, surely, that was recognised by Her Majesty's Government in responding to the closure by saying that the people of Gibraltar would be given help under a policy of sustain and support to help them overcome the effects of the restrictions. How can that philosophy, which we have been maintaining all the time, be made to square with the opposite philosophy which is inherent in the Brussels Agreement. That is the question that the Honourable and Learned Member must answer if he wishes to defeat the amendment that I am moving and continue with his motion to welcome the Brussels Agreement. He must explain to us how his Government proposes to continue with the line that they have been defending for the last 20 years since he went to the United Nations in 1964, and also how he intends to subscribe to the spirit and the letter of the Brussels Agreement. How is he going to do both, because to us it seems that already he has been doing, as I have said before, Mr Speaker, two mutually incompatible things in maintaining a joint approach with us to try and get our terms of membership altered and a joint approach with the British Government to explore with Spain the possibility of giving them the same rights as in other EEC countries. I mentioned before, Mr Speaker, the motion that I brought to the House when an answer was given in the Commons in December, 1983, shortly after the Member had agreed with the British Government that the possible advance implementation of EEC rights should be put to the Spaniards, but since then, in the year that has elapsed since then, the British Government's position has been unchanged, that is, they have been saying in the Commons, consistently, in answer to innumerable questions, that whatever was agreed between the EEC and Spain would apply to Gibraltar without alteration. The same derogations, the same transitional provisions, the same rights, throughout. We had a motion here which we all supported and we all spoke in favour of in December, 1983. It didn't make any difference. The British Government kept on saying the same thing. We had memoranda to the Foreign Office and it did not make any difference. And this debate will not make any difference. The reality of it is that this debate will only serve for one thing and that is to have on record our position. That is all. At the end of the day, although theoretically what we are seeing now is the matter being debated in the proper forum, it is a debate that is in essence sterile because it is a debate that cannot change the Brussels Agreement. The Chief Minister knows as well as I do that however effective I might be or persuasive

I might be, there is no way that he can now say "I have had second thoughts, I have been persuaded and I no longer welcome the Brussels Agreement". What happened with the attempt to close the frontier would be peanuts compared to the kind of fireworks that that would produce. So, is there any point in what we are doing. Well, Mr Speaker, I think it needs to be done because what we cannot have is a situation where we share in the responsibility for the implementation of an agreement which we consider to be bad for Gibraltar and therefore it has to be clearly stated that we are against it and that we do not consider ourselves bound by it and that we wish we could persuade the Government of Gibraltar to take the same line as they have been taking until now and the line that we are continuing to take. I think it also needs to be done, because whatever the effect within Gibraltar I have no doubt that the British Government will be fully aware that this is not the end of the story. It is not going to end in a motion that is going to be debated and passed by eight to seven and that is it. There are going to be many more problems to come and there is no question of us coming to the rescue of the Government. The Government is making a serious mistake in our estimation and the Government has got the right and the power to use its majority and then it has to carry the responsibility for that mistake and be answerable for it. There is a parallel which is perhaps not so clear because so far the defence that has been made of the Brussels Agreement has not been the same as the defence that was made of the Dockyard Agreement. But there is a parallel and the parallel is that from the moment that the closure was announced in November 1981, to the moment the Agreement was brought back by the Chief Minister in July, 1983, the Government of Gibraltar was saying that it continued to oppose the closure of the Naval Dockyard and that it was not convinced that the solution to the problem created by the Naval Dockyard was the Commercial Dockyard. And when they went along the road of accepting commercialisation, I think the Honourable Minister for Economic Development was the one who gave the most honest explanation to the House of the position of the Government when he said that it wasn't that they were suddenly convinced that it was going to be the resolution of all their problems, or that it would substitute for the Naval Dockyard but that it was that they were convinced that it was Hobson's choice, that it was either that or nothing. And faced with that dilemma, then they went along the road of supporting commercialisation in the hope that it could be made to work although they still had their doubts, and in the expectation that if they tried to make it work and it failed, they would be able to go back to the British Government and say "Look, we have done basically what you wanted us to do. We had our doubts about it, you have given us very little room for manoeuvre, now we have done our part, it is not working so it is up to you now to give us whatever help we need". That was an honest defence of the

stand that was being taken.. It wasn't the defence that was sufficient for us because as far as we were concerned what the Government should have done then was to go back to the British Government and say: "We want to use the £28million in a different way. We are not going to put all our eggs in one basket". And we certainly don't believe today, Mr Speaker.....

MR SPEAKER:

Yes, yes, but don't.

HON J BOSSANO:

Well, let me just finish what I was going to say. We certainly do not believe today that the passage of time will prove us wrong. Whatever the Dockyard will do, it will not produce the 1,400 jobs in 1988 that were in those proposals. In the scenario created by opening up the hinterland to Gibraltar businesses and Gibraltar market to Spanish businesses, we are talking about a totally different kind of world from the one we have experienced today because even before the closure of the frontier we did not have that. What we had before the closure of the frontier was a supply of labour from Spain which was relatively cheap and which enabled the defence establishment in Gibraltar to operate at a level that was impossible using native resources. If they had depended on the size of the Gibraltar labour market they could not have done it. They created a demand for labour which drew in labour from outside and that labour went. But that was all. The local businesses were not facing any real competition at all from the other side and they have never known it, and I am not sure they are ready for it. It would appear to me that although the Government is welcoming this, it is not in a position to give guidance or leadership to the private sector as to how to handle it because they themselves do not seem to be absolutely clear what they will be able to prevent and what they will not be able to prevent. We have had some very contradictory answers to those questions and clearly there are things there that we shall come back on at the next House when legislation comes up and when we will be able to follow some of the things there with some more questions. The issue is not going to end today, Mr Speaker, this is only the beginning, but we are entering into a totally unknown area for Gibraltar and the Government of Gibraltar is leading us down that road and we believe that it does not even know itself the road that it is following, never mind where it is taking the rest of us. It is a big responsibility that the Government is taking on, probably the biggest responsibility that any Government has taken on in the history of Gibraltar, even bigger than on the question of the Dockyard. The Minister for Economic Development, again I have to quote him, has said in previous motions in this House that the implications for Gibraltar of member-

ship of the EEC and of granting EEC rights were more fundamental and more important and more serious even than the question of the Dockyard. And yet we are dealing with a situation with even less thought than we put into the question of commercialisation. I commend the amendment to the House, Mr Speaker, and I hope that not everything that I have said will have been lost on the Government.

Mr Speaker then proposed the question in the terms of the amendment moved by the Leader of the Opposition.

MR SPEAKER:

We are now speaking on the amendment exclusively. I know that it is going to be difficult for contributors to keep exclusively to the amendment so I would like to be told by each contributor who has not spoken to the general motion yet whether he is speaking exclusively on the amendment or he intends to speak on both at this particular contribution. Of course, the Honourable and Learned the Chief Minister has got the right to speak on the amendment and ultimately the right of reply on the general motion.

HON A J CANEPA:

Mr Speaker, it is my intention to speak with reasonable brevity on the amendment and then, perhaps, I may consider later on speaking again with reasonable brevity on the general motion. With the amendment, of course, of the Honourable and Leader of the Opposition is attempting to do what has been done on very many occasions in this House, not just by the Government, the Honourable Mr Joe Pilcher has not been here long enough to have suffered with his Leader during the years when amendments by the Honourable the Leader of the Opposition were being defeated by 14 votes to 1, very often with every word after the word "This House" being deleted. He is doing the same even though as if he would not hurt a fly, he just deletes in his amendment paragraphs (1) to (4) and then substitutes by the following words a small matter of a whole page. I am frankly disappointed in many respects with the Leader of the Opposition today, Mr Speaker, and I will try to say why. First of all, he has spoken for far too long, he has spoken for 2 hours, and even though he has dealt with the Chief Minister's motion and with the amendment, I do not think there is any need for anybody to speak for 2 hours, particularly when he himself confesses that the whole thing is sterile. So why bother, why not spare us at least an hour and he could have made the same points. I think he has taken a leaf out of the books of both his immediate predecessors as the Leaders of the Opposition. He has bored us like Mr Xiberras used to do and like Mr Isola used

to do he has gone round and round in circles coming back to the same point as he has done this afternoon, coming back to points that he has made during the morning. I do not think that that makes for good debate even in this House. And what it does underline, of course, is how futile, how pointless was the challenge that he made to the Chief Minister on television that the matter should be debated, he challenged the Chief Minister to a debate on television. You can have a useful discussion on television. He had a reasonably useful discussion last week for 45 minutes, 5 people on television and perhaps half an hour between the Chief Minister and the Leader of the Opposition. Two persons on one subject can be useful but you cannot debate such a complex, such a complicated issue as the ones that are being discussed here today over television in the sum total of half an hour, even though I do criticise the 2 hours. And I ask myself, why has he done so? Is it just for the record or could there be, perhaps, other motives? In all the years that I have been in the House with him, I can never remember my having spoken for more than 50 minutes. I do not think I have ever spoken for more than 50 minutes. I have done so on a number of occasions and I consider that virtually everything that needs to be said can be said within an hour, and that is stretching it a bit. Why has he done so? Very often, when I hear Joe Bossano speak in this House, particularly on the budget, where he is usually worth listening to and I think that in the 12 years or so that we have been listening to him on the budget he is usually worth listening to, perhaps on two or three occasions he has not been worth listening to, particularly the last one when I think he went on for nearly three hours and that was a bit too much. Why does he do so? Is it that he loves his friends and supporters to remark as one of them was heard to remark leaving the House at lunch-time: "Valiente tio, una hora y media lleva ya, eso no hay quien lo haga". Is that the object of the exercise, that his supporters should be in awe of him. I cannot help but remember when I see his colleagues there gazing in awe, I cannot help but remember the poem about the village school master. "And still they gaze, and still the wonder grew that wise small head could carry all he knew". The Honourable the Financial Secretary is not the only literary person in this House. Mr Speaker, therefore I do not propose to deal in any detail with the very many points which the Honourable the Leader of the Opposition has made. As he has said, this is only the beginning. There will be legislation to follow at the next meeting of the House and in the course of that lengthy process, no doubt, myself, the Chief Minister, and other Members of the Government, over a period of time will be dealing with the point that he has made. But there are one or two things that I want to say and I want to underline a second reason why he has disappointed me. At one stage this morning he said, and I quote his words exactly:

"The British Government owns and runs Gibraltar whether we like it or not". What are we doing here? Why speak for two hours if that is the case? Why bring a number of motions to the House, as the Honourable the Leader of the Opposition has done, which I don't think that we can quarrel with other than with the present amendment. What is the point of it all? Is it all a game? Is it all a pointless exercise? And is that a fact of life, that the British Government owns and runs Gibraltar? Because if that is what Honourable Members subscribe to then I would suggest that they all resign from the House. Perhaps they would then be doing the people of Gibraltar a better service by resigning from the House because the whole thing is a futile and pointless exercise. The Constitution does not mean anything, this is just worse than a 6th Form debating society. What are we on about? I wonder whether the Honourable Member really means that. I am sure he doesn't. What is the point of his being the Leader of the Opposition? He is trying to achieve what? To keep the Gibraltar Government on the rails? To point out what the Gibraltar Government is doing wrong? To play a part in trying to stop the British Government from doing what perhaps we do not like them to do? Why bother if that is what it is? When he exercises his right to reply on the amendment, I really would like the Honourable the Leader of the Opposition because I have a lot of regard for him, I am sure it is mutual, and I cannot believe for a moment that during the 12 years that we have both been Members of the House the Honourable the Leader of the Opposition has really felt that way or that he is beginning to feel that way now. I am sure that that is the case and I would invite him to clarify in somewhat more detail what were just passing remarks what he really means by that. Another thing that I quarrel with is the suggestion which he made in somewhat more elegant terms than his predecessor Mr Isola used to make, and I don't just complain about it because it affects me, because I don't want people to feel that I am Sir Joshua's puppet. I think I do well in general elections on my own to show that I do have an element of some personal standing and popularity amongst the community. But he did imply, he did not go too far, but the impression that he created was here was Sir Joshua back in November, 1983, he had been discussing with Sir Geoffrey Howe the idea, the possibility of exploring the question of advance implementation of EEC rights, and he comes back to Gibraltar, puts it to his colleagues in the Government, cracks the whip, perhaps, and we all jump and say, "Yes, you are right as usual, Sir Joshua". It does not happen that way. There is less of that on this side of the House than there is on that side of the House because the extent to which inevitably Joe Bossano, after all his years in the House dominates because of his ability, his expertise and his general involvement, close involvement, in political matters in Gibraltar over such a

period of time he dominates the Members of the Opposition to a far greater extent than what Sir Joshua does this side of the House in spite of his 40 years. I do not go along to carry the Chief Minister's brief case when I go with him to London. We are not yes men, and have never been yes men on this side of the House. Just as he mentioned the Honourable Mr Perez as perhaps being somebody who should know a little bit about how Mr Bossano conducts his affairs, I might mention Mr Michael Feetham, as knowing a little bit about how the AACR used to conduct its affairs, at least between 1969 and 1972 or 73. He knows a little bit and he knows that that is not the spirit with which the AACR has ever conducted its affairs. I feel slightly sore about that point because it is not worthy of the seriousness of the matter that we are discussing. Having said that about November, 1983, I want to underline the fact that the point wasn't just made to Sir Joshua then and accepted. That is not really how it happened, there has been a process of a year. It was an idea, Sir Joshua thought that with the concurrence of his Government, perhaps it was something worth exploring, it could be put to the Spaniards in order to try and break the impasse that has occurred in 1983, an impasse that had occurred because in October, 1982, you had had a new Spanish Government elected with a resounding majority, a Spanish Government which had certain views about Gibraltar with a slightly different approach. We saw that evinced immediately in the pedestrian opening. I think they should be given some credit for it, perhaps later on when it became clear that it was something of a Trojan Horse and that it was bleeding the economy dry, perhaps they thought it suited them but I think that initially, having said that if they were elected to office they would open the frontier on humanitarian reasons, they should be given some credit for going ahead and doing so. But they had different views of this and they obviously were not just prepared to rubber stamp what had been agreed in Lisbon by a previous Government and hence the situation got somewhat stuck in the course of 1983 and new ideas had to be brought to bear in order to see whether progress could be made. Let me now, Mr Speaker, go through some of the points which are preliminary in the amendment of the Honourable the Leader of the Opposition, five or six points which are preliminaries leading to paragraph (7) where the motion really resolves that the Brussels Agreement should not be proceeded with. I think that the reasons why the Lisbon Agreement fell through have been explained in considerable detail by the Chief Minister. There were reasons to do with differences on interpretation, initially it was going to be a question of equality of rights and reciprocity. It was always held by the British side, by the Gibraltar Government, that it was a forward looking thing, something for the future, something that could not automatically come into effect on day one when the frontier was going to open, as the Spaniards later on appeared to interpret the matter. It

is interesting, I think, to note, Mr Speaker, that in spite of this view on the part of Spain about equality of rights which then became the conferment of EEC rights, in spite of that, the Spanish Government was prepared in 1982 after Senor Calvo Sotelo had taken office, the Spanish Government was prepared to accept the British interpretation of the Lisbon Agreement and were definitely ready to implement it in April, 1982, when the well known event at the Falklands prevented that from happening a few days virtually before the two sides were waiting to meet in Sintra for the talks that were envisaged. And by June, 1982, it will be recalled that there was a postponement when it was agreed not to proceed with the Sintra talks, the meeting and the opening of the frontier was postponed from April to June, and by then the UCD Government was in a shambles, it was breaking apart, and it was in no position to deliver anything and so the whole thing fell through. But they weren't seriously attempting to renegotiate the Lisbon Agreement between its non-implementation on the first occasion in 1980 and the intervening two years until April 1982. Why the advance implementation of the EEC rights? I think the Chief Minister has also explained how the matter has in fact developed in the last four years. The Spaniards were seeking equal rights as Gibraltarians there and then and the matter has developed in such a way over the last 4 years that it has justified our taking a different view now when Spain is clearly seen to be on the way to accession. That was not the position in 1980. In 1980 there had been an application by Spain to join some time earlier but the negotiations were not making any real progress, they were not grappling with the negotiations. The whole question of democracy and the future of democracy in Spain was seriously in doubt. There was the attempted coup in February 23rd and no one could seriously say up until the advent, perhaps, of the Socialist Government, that Spain was clearly on course in spite of difficult and detailed negotiations for accession. That only became evident, I think, round about the middle of 1983. I think also that it is necessary, and I don't like particularly in politics, Mr Speaker, I do not like to repeat myself. If I say something on television I don't particularly like to say it here in the House though perhaps I should again for the record. I definitely hold the view that essentially the agreement differs in emphasis. But what Brussels is seeking to do is to implement the Lisbon Agreement but up-dating it in one or two respects. And the differences in emphasis, again I mentioned last week in the discussion on television, have to do up to a point with semantics, presentational, the Spanish Government then in Lisbon in 1980 only spoke of suspending the measures. They didn't even use the word restrictions. They wouldn't accept that they were restrictions, they were measures, "medidas", and they would only accept suspending them, and we were naturally very doubtful that if a process of the negotiations was then envisaged,

the restrictions were only going to be lifted as and when they made progress, or else they might be re-introduced if progress was not made. I do not think we are in that situation now, if Spain joins the EEC on the 1st January, 1986. I also mentioned the SPA, something which I attach a considerable importance to because it is evidence of the different attitude which this Spanish Government has in spite of difficulties that I understand they were having with the Military on this matter because the military in Spain attaches a lot of importance to the Spanish prohibited air zone. Then of course, there is the more fundamental matter on which we all feel aggrieved and that is the explicit commitment to discuss sovereignty. The Honourable Mr Bossano says that at one point I said in the House that the whole question of the conferment of EEC rights, the obligations that they have under the EEC, that I regard the impact of that as being more serious than commercialisation, than the closure of the Dockyard. I do attach a great deal of importance and it is an area that worries me enormously. I say that quite openly; I am very worried about the implications for Gibraltar of Spanish entry and I am very worried because I have come to the conclusion that the European Economic Community is a club for the big boys, it is not a club for Gibraltar. It was never meant for territories the size of the population of Gibraltar and that is why in the initial Treaty of Rome there is a protocol safeguarding the position for Luxembourg which then was and continues to be very strong economically, and Luxembourg as one of the founder members ensured that they would get a protocol safeguarding their position on demographic grounds because they were afraid of much of what we are afraid of and because they were one of the original members, they were able to get that protocol. Nobody else has done so. I don't know whether they felt that they did not need to or what have you. I have come to the conclusion and therein, I think, are our difficulties. We are probably going to experience a difficult period of adjustment; where problems are going to arise, where we are going to have to meet probably to make representations about those problems, and having regard to the nature of the community it could well be irksome, certainly for the commission in Brussels, it could well be irksome for them to have to be with these people from Gibraltar who continue to be such a nuisance because they just won't lie down and accept matters as they are. But I am up to a point comforted by the fact that, and I have said this before, if we are not able to comply what happens? Only this morning I heard on the news that Great Britain is not complying with certain transport arrangements to do with 40-ton lorries. When it suits them it doesn't. But is it that Gibraltar is the only territory in the Community that is expected to comply with everything? My views are well known on that matter. But, really, that would have been in any case after January, 1986. We have made representations on derogations, we have not got



anywhere. We have made representations on the question of Spanish labour and we don't seem to be getting very far either and all that is due I think, to the nature of the Community and thank God that there is a 7-year transitional period and thank God that, apparently, they are also going to agree to review that after 5 years, all the Community which might give us an opportunity earlier than the 7 years to make representations about the difficulties that we are experiencing and I think we are going to experience difficulties. But what should I base my optimism ultimately on? I do not have any facts and figures that I can point to the Honourable Member to say that in the year so and so and so and so five more million pounds are going to come into the economy, or six or seven. I haven't. What I do say is that I honestly do not think we can carry on as we are. If we carry on as we are I definitely think that we have had it. The way that things are going in Gibraltar I don't think that we have got the elbow room to manoeuvre, the wherewithal to get the economy moving and to improve the financial position of the Government whereas with normalisation at the frontier we may have a chance. I spoke on television about trust in the British Government that is fundamental. Ultimately, a lot is going to depend on us and I have no doubt that if there is, it is just not a gut feeling, it is part of our history, if there is something that the people of Gibraltar have it is the ability to survive, the ability to adapt, because that is why we are here. We are here because our ancestors were people who wanted to survive and they came to Gibraltar thinking that they could and they have adapted and we have worked at something in this community which is valuable and I do not think that in spite of all the difficulties that we may have in the future we are prepared to keep that up just like that. It is because I feel sincerely about that that I was very much taken aback by what I saw was indicative of the somewhat defeatist attitude of the Leader of the Opposition to come here today and say the British Government owns Gibraltar and they are running it and there is nothing very much we can do. There is a lot that we can do and there is a lot that we can do if we remain essentially united on fundamentals and on the more immediate thing of like what is going to happen over the next 10 months. Initially, the effects of normalisation at the frontier we have considered on this side of the House are going to be negative or zero for a couple of years for reasons that we have gone into at great length ad nauseum in the House before. If there is a difficult period of 2 years before the business community or the economy, generally, can begin to adapt in order to try to compete fairly if the regime at the frontier is a reasonable one in order to attempt to compete fairly, isn't it better that that 2 year difficult period should be brought forward when we are not making much progress with any development in Gibraltar,

when since 1980 there has been on the part of developers and in business a wait and see attitude when we know that normalisation at the frontier is essential, it is the key to the Queensway Development, to the Eastside Reclamation Scheme, certainly. I do not think that the Eastside Reclamation Scheme can be viable with a closed border, it would never get off the ground but with normalisation at the frontier it might. And if it were to do so and we were to have a transient population of up to 5,000 people at one time in Gibraltar, that would have a far greater beneficial impact on the economy than even the commercial yard. I honestly think we need a chance, Mr Speaker, we need an opportunity to try and break new ground. There are hazards, there are difficulties, but we seem to have been going downhill for some years and perhaps this may give the opportunity which the business community in Gibraltar requires, which traders, which investors are looking for and we may be able to grapple with the situation, the dangers may not turn out to be as bad as we think they are. I don't think that anybody who knows me will regard me either as an optimist or a pessimist. I don't think I am either but I do have faith in certain fundamental matters and perhaps the greatest faith that I have is in the quality of the people of Gibraltar. If not I think I would be wasting my time here and I would go home I would pack my bags and see if there is anywhere in the world where my family and I might have a better future. I don't think that that is the case. I think we do have a future in Gibraltar and what I think we have got to be honest with our people is to point out the dangers, to point out the pitfalls. But to tell them that ultimately, at the end of the day, if we work hard, if we pull together, and I do not think these are pious hopes given the history of the people of Gibraltar, a history which has been difficult, which has been black at many times in our lives, during the second world war, when the whole population was taken out of the colony yet they were brought back to their homeland, during the difficult years of the restrictions, when they first started, and even now the Dockyard was another trauma. I think we can overcome these traumas and at least I would hope that the Honourable the Leader of the Opposition would join me, when he exercises his right to reply, in some message of hope for people, the outlook cannot be entirely bleak, if it is entirely bleak then let us go home and forget all about it.

HON M A FEETHAM:

Mr Speaker, I am of course speaking in support of our amendment to the motion but before doing so I think that I have to take up the reference of Mr Canepa regarding my position in 1969 and 1972 in relation to the remarks made concerning the Honourable Mr Brian Perez. The fundamental difference, of course, is that I did not betray the trust of the electorate who voted me into office.....

HON A J CANEPA:

If the Honourable Member will give way, I was not making accusations. I was not justifying one thing or the other or making any criticisms or accusations. I was just saying that in the same way as the Honourable the Leader of the Opposition had said that Mr Brian Perez was acquainted with his way or his procedure of doing things, the Honourable Member on his right, the Hon Mr Feetham was also acquainted with our way of doing it. I was not criticising him because he was a Member of the AACR between 1969 and 73. I can give him my solemn undertaking that I was not decrying that in any way.

HON M A FEETHAM:

I am prepared then to forget what I was going to say because, in fact, I do not wish to create a polemic and divert from my address to the House today. Mr Speaker, what has been the position in the last four years? My colleague the Honourable and Leader of the Opposition has dwelt to some extent on the position of the Government and the Opposition in relation to the enlargement of the European community and the effect that this would have on Gibraltar. There was no question in the discussions that were taking place at that level that other then important issues which are related to those discussions would in any way have a bearing in what the end resort of the enlargement of the community would be in relation to Gibraltar. What we were saying, fundamentally, was that Gibraltar's size and economic ability were not able to compete and defend its interests against European economies and, secondly, that the entry of Spain into the European Community strengthened our argument by the mere fact that for the first time Gibraltar was, in effect, if the lifting of the restrictions took place, for the first time were effectively becoming members both territorially and economically with the Community as a whole because for the first time we could walk down the road and we go straight into the European community and that the effect of that on Gibraltar should seek to renegotiate its basis, because it was quite clear from experience already that Gibraltar needed safeguards. That was the argument and has been the argument in the last four years. It has been a joint approach clearly illustrated by my colleague in the way the Government handled its affairs and the Opposition handled its affairs in a minority opposition and in having a whole GSLP opposition in the House. When we talk about the Brussels Agreement, Mr Speaker, what has happened is that not only have we conceded to the British Government and to Spain because their national interests coincide and we take second place, what we have conceded is that Spain should have something that we have got consistently argued against. The Chief Minister has explained and argued why that

was necessary but it does not divert from the fact that we have conceded that position because not having achieved a protection for Gibraltar, we have in fact achieved that Gibraltar's position will continue to be vulnerable in the years ahead because the others obtain protection and Spain will become a member and will aggravate the position for Gibraltar. When the Chief Minister said that we should talk from the heart, I of course have not come prepared with a 24-page statement as the Honourable the Chief Minister has done. Neither have I had a brief from my Colleague and Leader as to what I should say and not say, but I will certainly attempt to speak from the heart because I am not in politics to run away when the situation is such that we have our backs against the wall because it is against my nature, it is against the nature of all my colleagues on this side of the House. Of course we have got a problem and we have got a fighting chance, a fighting chance of survival, but the most important part of the statement of the Chief Minister is when he said: "Today I see the way ahead for Gibraltar with far greater optimism than at any time in the last 20 or 30 years. Today we have an opportunity to consolidate the Gibraltarian identity in both political and economic terms in a way that will enable us to stand on our own two feet. Let us not throw away this opportunity for the sake of party political prejudice or because of untotally unfounded fears and mistrust". Well, let us concentrate on this opportunity that we have, let us concentrate on this political and economic opportunity that we have. The fundamental shift, Mr Speaker, in the Brussels Agreement is that we have accepted a movement away from the status quo that Gibraltar has maintained during the last 20 years when Spain has thrown everything that it has been able to throw against the people of Gibraltar in order to strangle the economy of Gibraltar and in order to make the people of Gibraltar surrender. The Brussels Agreement has, in my opinion, vindicated the Spanish blockade of Gibraltar because it has been successful in obtaining the sort of agreement that they wanted because economically we are now taking a road and that is what we have to question, what road are we going to take to be economically self sufficient in the future. We have shifted on the sovereignty issue, two things that in 1964 and in 1963 the Spaniards were arguing in the United Nations. But in what way have we shifted the status quo in Gibraltar, Mr Speaker? What road are we going to take from now onwards? The Brussels Agreement is explicit in the way the British Government envisaged and aided and abetted by the Gibraltar Government who has welcomed it as an honourable and beneficial agreement, it envisages the way Gibraltar's economic self sufficiency is going to take place, in the way that it has to take place and it speaks of promoting cooperation on a mutually beneficial basis on economic, cultural, touristic, aviation, military and

environmental matters. Well, Mr Speaker, if that is the alternative that we have got, it takes us down not only on the road to economic intergration Europeanwise, but it takes us on the road to economic intergration with Spain. The reality of this arrangement was in fact embodied Mr Speaker, in the conclusions that were reached in 1976 by the most authoritative survey and study that was made on Gibraltar's future economic prospects by Maxwell Stamp and Associates and Iberplan, a joint venture of British and Spanish economists supported by Fraga Iribarne, the then Spanish Ambassador in London, and it is curious how close it holds a parallel to what is happening today and, in fact, how close some of the conclusions they reached at the time have come so close to the heart today and in events which have taken place recently. I am going to quote, with your permission from "Gibraltar, British or Spanish—the economic prospects". The important political hypothetical, nevertheless I will accept worthy consideration that they thought would have for a future economic intergration of Gibraltar would be "(a) and we are talking of 1976, (a) a maintenance to the status quo, and cooperating with a future democratic Spanish Government in the longer term, the latter would likely take the form of the removal of the present restrictions followed by a period of transition to economic but not necessarily political intergration in conjunction with Spanish accession to the European community". But, Mr Speaker, another one of their conclusions in 1976, when nobody was even thinking about this. It says: "Unless the level of labour productivity were very high, however, the Gibraltarians could compensate for the high level of other costs only be accepting relatively low wages, certainly the idea of parity with wages with the United Kingdom would have to be abandoned if the Dockyard were to be subjected to the test of market competition. A further point to be taken into account is the valuation of the Dockyard's capital assets at the time of their hand over, the competitive of a commercial ship repair industry would be greatly enhanced if the assets were to be written down and handed over to Gibraltar on concessionary terms so that the heavy capital charges would not have to be met". That happened, Mr Speaker. Another of their conclusions was, in order to deal with the distortions in the economy they suggested that, for example, the Government should hand over the housing to its occupants with appropriate restrictions on re-sale and the rents replaced by building society loans. Total freedom of residence and of movement for citizens, this would undoubtedly be one of the main advantages to be gained by the Gibraltarians who would thereby recover the mobility they lost in 1966. There would naturally have to be reciprocity. — In 1976 they mentioned a word reciprocity — The possibility that Spaniards might take up residence in the territory. The airport: the airport perhaps with some expansion of terminal

facilities would be suitable for use by medium sized jet aircraft providing regional services in the peninsula and in the Mediterranean. As such it would fill an important gap in the present Spanish network. A detailed feasibility study would be needed to determine where the extension of the runway, with some re-alignment to take larger aircraft but without restrictions would be economically justified. No doubt, that is one of the points that will be discussed in the question of regional cooperation and working parties. Mr Speaker, I have tried to make the point that that is what the thinking is in the Foreign Office as far as Gibraltar is concerned because where are we going from here? The other important point where there is this tendency of putting Spain as an enemy, certainly they may be an enemy in terms of their claim over Gibraltar as far as the Gibraltarians are concerned but they are certainly not an enemy of the British Government, they are certainly not a military enemy of the British Government. Spain is a member of NATO politically. The argument is whether Spain will leave NATO altogether or intergrate itself in the military structure of NATO. But the fact is when we talk about military cooperation, that regardless of what happens in relation to Spain's position in NATO, Spain is bound by several bilateral and multilateral agreements with the Western countries and consequently, with a democratic Spanish Government in office with its bilateral or multilateral agreements militarily, the position of Gibraltar and its ability to sustain militarily its position as it is, now, is weakened day by day because if they were to be, and I do not wish to go into the subject too much, but if there were to be a military conflict, I think that the military conflict would undoubtedly be with the Warsaw Pact, I cannot see Morocco taking up arms against Gibraltar or Spain, so, consequently, a democratic Spain with military responsibility in the Southern Atlantic, commits it to a military role in this area, in defence against aggression from the Warsaw Pact. So what does this Brussels Agreement leave us with? It leaves us, the people of Gibraltar, economically in a position of vulnerability because we have not got protection. It puts us in a position where there could be further military cooperation and, therefore, the possible longer term British military presence in Gibraltar being re-assessed but it still leaves us in a colonial situation in Gibraltar. Where do the people of Gibraltar begin to reassert their Gibraltarian identity in that situation? What way do we go? What have we got to bargain with when this is all over? That is the fundamental shift in this document, as I see it because not only have we not settled out political position in relation to Great Britain because when we talk about sovereignty, sovereignty is an emphasis on the territory, not on the people. Our relationship with Britain is still colonial, the people of Gibraltar and the territory are two different things and consequently, Mr Speaker, we see this in that sort of light

as another step. I agree with the Chief Minister that we have to re-assess the Gibraltarian identity but what we would like to know is how are we going to be able to do it because one important thing which has not been emphasised by the Chief Minister is that in the Lisbon Agreement which is still embodied in the Brussels Agreement, the question of the United Nations resolutions are still there very much in the background. I have no doubt in my mind that in the process in the years ahead it has got to go back to the United Nations and what sort of position are we going to adopt and on what grounds are we going to adopt it? Self determination of the people of Gibraltar can only be pursued, Mr Speaker, from a position where we know which way we are going and I am not satisfied that the thinking behind the Brussels Agreement is going to help us onto that road at all. I would certainly feel less concerned if I knew the thinking of the Government on the explanations that I have tried to seek. Perhaps when the Chief Minister replies he may be able to throw some light on the matter.

HON G MASCARENHAS:

Mr Speaker, with your indulgence, I wish to speak on the original motion and the amendment to the motion and I can promise you that I am going to be brief. The Honourable Leader of the Opposition has spoken at great length this morning and this afternoon but as far as I am concerned the only thing remotely positive that has come out of his contribution was when he said that come February the 15th the British Government would not sit with the Spanish Government even with Gibraltar representation and say: "Here is Gibraltar, you can take it now". That is not the case and anybody who believes in Britain can be assured of that. We have trust on this side of the House, I don't know up to what extent on that side of the House they believe in that as well. However much the Spanish Government may think that they are on the way to the recovery of Gibraltar as a result of the Brussels Agreement, I am sure that they are totally mistaken, at least as far as Gibraltar and the people of Gibraltar are concerned. We, at this particular moment in time, are not ready to give in, at least not this generation. I am not going to speak on behalf of future generations but I would like to say that I do not think that even they would have any reason to doubt the wisdom of the decision that we have taken in supporting the Brussels Agreement. Some of the things that the Honourable Leader of the Opposition has said this morning in my opinion make a mockery of the psychological tight rope that we have been walking for the last 20 years because nobody is selling anybody and certainly as far as I and my colleagues are concerned we are not going to give in at any stage in the future.

HON J BOSSANO:

Can the Honourable Member be more specific about the psychological tight rope. What is he quoting from?

HON G MASCARENHAS:

Mr Speaker, I am talking about his amendment in general. I think that the answers to the questions yesterday in the vast majority were positive and I believe that even some Members of the Opposition were surprised at the answers that we were giving on the positive side. The comments that the Honourable Leader of the Opposition has made about the programmes on Spanish Television "Si Yo Fuera Presidente", quoting the Mayor of La Linea. Of course, the Mayor of La Linea can say whatever he likes about cooperation. Whether we accept that or not is another matter. I don't think we are going to accept that in any way. They will woo us, if they are clever they will woo us. Whether they will succeed and we will succumb at the end of the day that is another matter. The Leader of the Opposition said that businesses in Gibraltar had not faced competition pre-1964. I was trying to think what the way of life was then, I was pretty young then, but I think I recall that apart from a certain firm in Main Street, in Gibraltar Heights, a Grocery Store, I will not mention any names, you all know what I am talking about, there was no other shop on that side of Gibraltar dealing with the grocery trade apart from a whole host of very small shops which used to be dealing in that trade. Today in Gibraltar we have quite a number of large stores dealing in the grocery trade. They will face strong competition but, frankly, after two years of the pedestrian opening, if those shops are still managing to succeed to make a profit, I don't know to what extent perhaps the levels are much lower than they were two years ago, but they are succeeding and I have no doubt that they will compete. I don't think that Spanish goods are on the same level as the goods that shops here are importing. I have no doubt about their chances of succeeding and of being able to face the competition from the other side. In any case, Gibraltarians buy a lot in Spain, unfortunately, they used to before even in greater quantities even pre-1954. I think the retail trade in Gibraltar was virtually here for the benefit of the Spaniards who worked here. I think the whole question of the Brussels Agreement ends up on a matter of confidence in Gibraltar and confidence in ourselves. My Honourable Friend the Minister for Economic Development, mentioned that at the end of the day it was trust in the British Government on this side of the House and there is no doubt about that. We have also got confidence in Gibraltar and we have, I think, the necessary equipment to survive and to survive well. I can assure the Honourable Leader of the Opposition we have far better skills, and I am not talking about the Dockyard, I am

talking about business skills, than the other side and I am talking from personal knowledge, in being able to survive. I don't know whether they have better carpenters there or better plumbers but at least at a business level I think we are well equipped to survive. The reality of the Brussels implementation I think will suit us very nicely from this side of the fence because if the Spaniards think that they will be coming here and having carte blanche over our businesses, I think the same applies on the other side. On the question of capital, I think there is far more capital in Gibraltar than there is anywhere in the Campo de Gibraltar. Mr Speaker, no doubt there has been a lot of anxiety and confusion caused by the Brussels Agreement but at the same time I think most people in Gibraltar have sighed with relief that the blockade will come to an end if there is no other Falklands or any other small matter of that nature.

HON J BOSSANO:

Small matter?

HON G MASCARENHAS:

Well according to the Labour MP that I watched in World in Action on Monday, it was a small matter because they should not have gone to war at all, they should have left the Argentinians there. Another thing I wanted to say because it has been touched on by the Honourable Leader of the Opposition and by the Honourable Michael Feetham, is on the question of the Members on this side being puppets of the British Government, particularly my Honourable Friend the Chief Minister. I do not think that Sir Geoffrey Howe, in Brussels two weeks ago, when he made this agreement, obviously the Chief Minister was aware and we were aware, I don't think at the end of the day Sir Geoffrey Howe can be so presumptuous to assume that no one on this bench will say to the Chief Minister: "We do not agree with you Sir, we will vote against this". We are all in agreement, of course we are all in agreement. We have been in agreement since December, 1983. I was not a Member of the Government then but I knew what was going on, of course I knew.

HON J BOSSANO:

The Honourable Member knew and other Members of the House didn't. That is a fine state of affairs.

HON G MASCARENHAS:

I knew within my party circle, of course we knew. And in January I was a Member of the Government and I was well informed then. The preamble to the Constitution, in my opinion, Mr

Speaker, is watertight on the matter of self determination and there is no doubt about that. The Honourable Michael Feetham might make a play on words on the question of self determination but it is there, no one can take that away from us.

MR SPEAKER:

Well perhaps then we will have a short recess for tea now, and then we will come when we will resume the debate.

The House recessed at 5.10 pm.

The House resumed at 5.40 pm.

HON J C PEREZ:

Mr Speaker, the Honourable and Learned the Chief Minister, in his opening statement said that we should take an analytical view of the Brussels Agreement and this my Colleague, the Leader of the Opposition, has tried to do during his intervention this morning and this afternoon and it seems that none of the Honourable and Learned Chief Minister's Colleagues have done that. If we take Mr Canepa's contribution, for example, he said nothing of substance on the issues that were analytically raised on this side. In fact, he was contradicting himself in that he accepted the grave implications of Spain's accession to the EEC vis-a-vis the economy of Gibraltar and then defended the Brussels Agreement by saying that although he hadn't quantified what the actual effects of that Agreement were going to be, that the private sector needed a change and that perhaps with an open frontier we were going to get certain developments going in Gibraltar which might or might not effect positively the economy of Gibraltar. Our own view is that this is not the case and we cannot understand how the Government can come to this House and, indeed, to the people of Gibraltar and say that it is a good thing for Gibraltar when in fact they have not quantified it to the extent that not only don't they know what duties are going to be imposed on that frontier, but they have not got even information about what duties Spain imposes on other frontiers with Portugal and with France. Mr Speaker, the Hon Mr Mascarenhas stole the show away from Sir Joshua today because the Honourable Mr Mascarenhas today mentioned something that Sir Joshua has been quoted for very long, that this generation should not be the ones to decide for future generations. We are not of that philosophy and if we were and if people around the world were of that philosophy, we would still be living in a world full of colonies big and small because there would not have been any progress towards decolonisation because

future generations would say that future generations have to decide etc, etc. But if we were of that philosophy, Mr Speaker like the Government is, it is not true to say that the decision is being left to future generations because this agreement implies that there will be a transfer of dependency economically from Britain to Spain and although the Honourable and Learned Chief Minister criticised quite rightly, in my view, the previous Leader of the Opposition, Mr Isola, for his comments, he did say the other evening one thing on television where he could be right. If that gradual transfer of economic independence from Britain to Spain takes effect, by the time we come to talk about sovereignty, Mr Speaker, the question will be academic because of all the implications that we, on this side of the House, see on the Agreement. Mr Canepa attacked the Leader of the Opposition because he said that the British Government really were the ones that ruled in Gibraltar, and the Honourable Mr Canepa said that this debate would be a futile exercise. Well, taking Mr Canepa's view that it is not a futile exercise, that the British Government does not rule, that the Gibraltar Government is in power and the Gibraltar Government has the power, then it would be a futile exercise, anyway, but not for the reasons that my colleague the Leader of the Opposition said because the Government has disregarded motions that have been passed here and supported by them and are making a farce of this House of Assembly because they disregard the motions which they themselves vote in favour of. I come back to the second part of the motion that we passed in the last meeting of the House where it says "and it requests that Her Majesty's Government should note this and should therefore not give any undertaking the effect of which would be to grant such rights or privileges until the matter has been fully debated and approved by this House". The Government voted in favour of that motion and that is not what is going to happen. The British Government have already undertaken to grant these rights and the Government is going to come here and pass the necessary legislation and if it is not what my colleague the Leader of the Opposition said that it is the British Government that has decided that it should be so, then the Government has completely disregarded this motion and the Government itself is making motions and debates in this House futile and unnecessary.

HON A J CANEPA:

I would rather that the Leader of the Opposition still explained the statement that he made which the Honourable Mr Perez has misquoted, and the statement that the Honourable the Leader of the Opposition made was: "The British Government owns and runs Gibraltar and there is nothing that we can do about it".

HON J C PEREZ:

In the context of what the Leader of the Opposition said, everything that I have said still stands, Mr Speaker. We have a situation where the Honourable and Learned the Chief Minister is saying that we will be able to stand on our own two feet and that we are going to re-assert our Gibraltarian identity, a theme that was taken up by my colleague Mr Feetham. Mr Speaker, I cannot understand when for the first time in 20 years we accept, with reservations, notwithstanding that it is a binding statement, we accept that the question of sovereignty becomes a matter for discussion between Britain and Spain and at the same time in that context we say that we re-assert our Gibraltarian identity because if we really want to re-assert our Gibraltarian identity we should start talking to Britain now about the sovereignty and future status of Gibraltar rather than maintain the status quo and have the question of sovereignty within the context of negotiations about other matters which include military, aviation, tourism, the environment and so on. In that context we are going to discuss it where, as I said before, when we come to the question of sovereignty it might be academic depending on the progress that Spain makes on that. But the question of sovereignty will be dealt with more amply with other motions that we are to present in this House. I now come, Mr Speaker, to something which the Honourable and Learned the Chief Minister said that we should take great note of and that is the date of November, 1983. I do take great note of that date because apart from the fact that my colleague the Leader of the Opposition has already mentioned the contradictions in statements that the Chief Minister has made to the position he was adopting then, after that and today, and those contradictions have not been answered by the Government. The Government has been exposed this morning for what the contradictions between their position in 1980 and in 1981 was, we have been analytical about that and none of the colleagues of the Honourable and Learned the Chief Minister that have stood up have been able to justify why this change in position. But I come back to the date of November, 1983, and ask the Chief Minister: Since we had a general election in January, 1984, and since the Gibraltar Socialist Labour Party stood in that election with a commitment to continue to oppose the Lisbon Agreement, which we oppose, anyway, if there had been a change of attitude from him and from his party why did he not say it in the general election campaign and get a mandate from the people of Gibraltar to come back with this Agreement and to implement this Agreement? The Government has not got a mandate to implement this Agreement, Mr Speaker. Let me just say, perhaps in a lighter note, that the Honourable and Learned the Chief Minister has destroyed the image that I had of him as an international statesman, Mr Speaker, because he comes to this

House and he says that when we talk about the Lisbon Agreement, it was implied there and in the Brussels Agreement sovereignty is specifically mentioned but that that is academic, it was implied in one, it is specifically mentioned in another, it is the same. Then further on he goes to say that it is a watered down version of what Spain wanted because the quote does not say that Spain demanded that sovereignty should be talked about. If we put it in that context, if it was first implied and it is not important that it should be mentioned afterwards rather than demanded, it is still a step further and that is important. It is certainly important to Spain and in the interpretation that Spain is giving to the Agreement. Then Mr Speaker, the Honourable and Learned the Chief Minister tells us that what in fact we should be doing is rejoicing at the progress. Well, we still have not had an explanation of what progress we are talking about. All that is clear up to now from what has happened in this debate and from the points that we have raised which have not been answered, Mr Speaker, is that we have given in on a lot of issues to have the restrictions lifted ten months before they were due to be lifted. That is all. How can the Opposition be rejoicing to something which is not progressive, it is going back. It is like my colleague said, eating every word that we have said in the last four years in respect of the amendment of the Leader of the Opposition and eating all the words which the British Government and the people of Gibraltar have said since 1964, that is what we have done with this agreement in order to get 10 months before the lifting of the restrictions which we all welcome, we all welcome the lifting of the restrictions. The Honourable Mr Mascarenhas said that people were overjoyed with the Agreement. Well, people were certainly not overjoyed with the Lisbon Agreement although they did want the frontier opened and the pedestrian opening came through without the Lisbon Agreement, in fact, and people are certainly not overjoyed with the Brussels Agreement. If Mr Mascarenhas is going to make statements like that or any other Member of the Government, I would suggest that they test public opinion on all the implications that this agreement has for Gibraltar, and that they do so before committing Gibraltar down a path which in our view would be ruinous for Gibraltar and for the future survival of Gibraltar as an independent economic unit independent of Spain. Thank you, Mr Speaker.

MR SPEAKER:

Are there any other contributors to the amendment?

HON J L BALDACHINO:

Mr Speaker, I came here today with an open mind and an open heart, not as a politician but as a Gibraltarian, to see how

the Government of Gibraltar defended the agreement that was signed by Senor Moran and Sir Geoffrey Howe. Mr Speaker, they have not been able to convince me, not because I am a Member of the GSLP and the Leader of the Opposition put a party whip on what I should think or not. The Honourable Mr Mascarenhas said that he was an expert on the private sector and he said that.....

HON G MASCARENHAS:

If the Hon Member will give way. I did not say I was an expert. I know the area because I happen to belong to it but I am not an expert by any means.

HON J L BALDACHINO:

I withdraw what I said. He said that he knows that traders in Gibraltar could survive. I think he must know also that at a general meeting of the Chamber of Commerce they passed a motion making representations to the Government that the Government should do everything in its power for the restrictions at the frontier to be lifted by the 1st of January.

HON CHIEF MINISTER:

By the 1st December.

HON J L BALDACHINO:

Or 1st December. I stand corrected. Surely, Mr Speaker, if traders in Gibraltar can survive, why go into this Agreement 10 months before when we will get it 10 months after, everything that is there, and we would not have given anything in return. Now we are giving everything that we have including sovereignty which is going to be discussed. Whether they get it or not is a different matter but it is something that the Spaniards have been after for 20 years. I would also like to take up a point with the Honourable Mr Mascarenhas because we have never challenged, we in this are quite clear, and I think that in this our thinking is exactly the same as the Government and that is on the question of what the preamble to the Constitution says and means. To us the people and the territory must be one thing, we have never challenged that. The one who gives a different interpretation to that is Senor Moran because when he says that he will respect the wishes of the people he says that they could retain British nationality but that Gibraltar must be Spanish. The people and the territory must be one and the same thing. I am not quite clear from the answers that we have had from the other side if they can really maintain what they have said at question time. That will be

challenged most probably because under the Brussels Agreement, in paragraph B, it states "establishment of free movement of persons, vehicles and goods between Gibraltar and the neighbouring territory". If we start putting restrictions there, Mr Speaker, I am sure that the Spaniards on the other side of the frontier will complain to their Foreign Office in Madrid which in turn will complain to the Foreign Office in London, saying: "Look, this is not the same agreement that we have reached". What would happen then, Mr Speaker, if the British Foreign Office tells the Gibraltar Government: "You cannot do that", what would happen then Mr Speaker? Will the Gibraltar Government have a confrontation with the British Government? The British Government has already done it once when the Government of Gibraltar decided to close the frontier at 12 o'clock at night. On that occasion they over-ruled that decision, Mr Speaker. What happens if they over-rule the decision? Will they have a confrontation with the British Government? I hope we can get an answer on that. If they are unable to deliver what they said, Mr Speaker, then the agreement that the British and the Spanish Government have signed and which the Gibraltar Government has welcomed is not beneficial for Gibraltar, it cannot be beneficial for Gibraltar, it will be beneficial for the Spaniards and maybe for the British Government in other contexts in international politics. The Hon Mr Mascarenhas also said, Mr Speaker, that he would not commit future generations of Gibraltarians. Mr Speaker, this agreement commits future generations of Gibraltarians. I came here with an open mind and the answers the Government has given have not convinced me at all.

MR SPEAKER:

If there are no other contributors I will call on the mover of the amendment to reply.

HON J BOSSANO:

The Honourable and Learned Chief Minister has not, in fact, spoken on the amendment. His statement obviously was prepared before listening to any of our arguments other than what has come out in public, therefore, was ostensibly in support of his original motion although as I pointed out in my brief opening statement, Mr Speaker, and knowing that I have succeeded in boring the Honourable Member opposite by speaking for two hours, I am tempted to spend three on the rounding up. If we assume, as I think we must, because of one particular element in both the Chief Minister's motion and in my amendment, that is, one motion welcomes the Brussels Agreement, the other one asks Her Majesty's Government not to proceed with it, it must follow that one negates the other. In the 6th part of the amendment that precedes the request to Her Majesty's Government,

we try to demonstrate why the Brussels Agreement is unacceptable and why the Brussels Agreement contradicts everything that has been said before. The only phrase that I can find in the Chief Minister's exposition to justify the change is that the situation in March, 1984, was totally different from that which existed at any time between 1980 and 1983. We do not know what this difference is other than apparently the fact that it was not until then that it was fairly clear that Spain was going to go into the EEC. The Minister for Economic Development obviously wants me to talk about the phrase that I used about Britain owning and running Gibraltar. I don't know why he finds that so surprising. We have had examples for as long as I have been in the House of the Government being required to do things that they did not want to do, we have had countless outbursts from the Honourable Member of the sort of pressures that he is being put under by the British Government on aid, on land, on cooperation, on development, and we have had the situation with the 24-hour opening of the frontier. We had the situation with the COLA payment in 1973, there is a whole history of this. But let me give him a very clear and very specific example. On the 20th October, 1981, Mr Speaker, I brought a motion to this House rejecting the analysis of the report of the Foreign Affairs Committee and saying that the House considered that the recommendations to Her Majesty's Government to grant EEC rights in Gibraltar on the lifting of frontier restrictions and to amend Gibraltar's laws were an unacceptable and unwarranted interference in our domestic affairs. The Honourable and Learned the Chief Minister, after I had spoken at length about my objections to the Foreign Affairs Committee Report and to the attitude of the British Government, congratulated me on a lucid exposition and said there was little that he could disagree with, which is something that he does quite often although he finishes up doing the opposite of everything that he has agreed with. He also said in that contribution that although it could be argued that the position of the House of Assembly was clearcut, and I had been saying that I was astonished that the Foreign Affairs Committee should make a recommendation to the British Government, because it was a report of the House of Commons Foreign Affairs Committee to the British Government, not to us, that they should make a recommendation to the British Government which appeared to disregard everything that we were doing or saying and all the representations that they had received from unions, from Chamber of Commerce, from Government, from Opposition, the Honourable Member said that although the resolution which read "Spanish Nationals cannot be granted the same rights as EEC nationals in Gibraltar prior to obtaining a full membership of the EEC", might be what one would call the doctrine of the House of Assembly because it was passed unanimously, whether we can go on repeating the same thing is another matter. The



difficulty that there is about this matter is in its purely strictly constitutional sense is apart from the fact that immigrants, immigration, residents and labour from abroad are not defined domestic matters and, therefore, whatever the views of the House may be, the meaning which you want to convey may be, is constitutionally incorrect. It is not the first time that we have passed motions in this House expressing views in the hope that the British Government will take these views into account but it appears that a very close reading of the Constitution can leave nobody in any doubt where the ultimate power lies. We have got two possible interpretations of the dramatic change of heart on the part of the Government. Either it is similar to the Dockyard situation, where the Minister for Economic Development came clean and said: "Look, it is not that we are falling in love with the Commercial Dockyard, it is that we are really being given a choice of either this or nothing, and this is better than nothing". Therefore it wasn't a situation there where the Government of Gibraltar got what it wanted from the British Government. The Government of Gibraltar took what the British Government was prepared to offer. Is this a repetition of that or is it not, we need to find that out. If it is not, then it is not simply that it is in the United Kingdom's interest to normalise relations with Spain, as political commentators have said, and that if the situation is normalised at the Gibraltar frontier then Britain will find it easier to support Spain's entry into the EEC and the accession treaty will go smoothly to the Commons because the Gibraltar problem is now out of the way. That is something that Spain is interested in and something that Britain is interested in but why should we be interested in it. What is in it for us, for Gibraltar? I don't know that I have heard anything today, Mr Speaker, from anybody on that side to persuade us that we should be welcoming this Agreement. In fact, although there is no doubt at all, and this is something, taking up the point made by the Minister for Economic Development about the differences of views, one thing that I have seen many times in this House, and it happened a couple of times with the Dockyard when we had Members on that side of the House saying they did not need to be told that it was going to fail but, nevertheless, when the time came to vote, the vote was clear so clearly the voting behaviour of the Government is determined by party policy but it does not mean that individual Members of the Government are all in agreement. And how can the Government on the one hand tell us, as the Chief Minister says: "Today I see the way ahead for Gibraltar with far greater optimism than at any time in the last 20 or 30 years. Today we have an opportunity to consolidate Gibraltarian identity in political and economic terms in a way which will enable us to stand in our own two feet". Where in the 24 pages that he has read out is there the evidence to substantiate a comment like

that. Where? Is it in what the Minister for Economic Development has said? What has the Minister for Economic Development said, because he has produced one argument. The one single argument that has been put there that might have some merit in it has been put by the Minister for Economic Development who has said there is no prospect of the Eastside Development ever getting off the ground with a closed frontier. It might or it might not get off the ground with an open frontier but without the open frontier the answer is no. If that is true of the Eastside Development, it is also true of other developments so the one argument is that if those developments were going to get started on the 1st January, 1986, by implementing the Brussels Agreement they stand a chance of getting started on the 15th February, 1985. That is the one single argument. Let us analyse the rest of the contribution of the Minister for Economic Development about the state of the economy. I think his analysis coincides with ours. I think it is as gloomy as ours is. He has said we are in a very bad state and he has said we cannot carry on as we are and therefore, by implication it is because we cannot carry on as we are that there is a pressure to try and do something to break out of the cycle of stagnation that the economy is in by bringing forward the opening. But how can bringing forward the opening get us out of the cycle of stagnation if we also accept that the effect will be either negative or zero for the next two years. If we are in a bad state, then for the next two years at best we will be in the same bad state and at worse we will be in a worse state, taking the contribution of the Honourable Member himself. Of course, it is clear that that is not the assessment of the Honourable Mr Mascarenhas, who says we have got no problem with competition, we have got more capital in Gibraltar than they have on the other side, which is astonishing.

HON G MASCARENHAS:

I did say capital, yes, but more than on the other side of the Campo area, I qualified that, I didn't mean the whole of Spain. I wasn't talking about Bilbao, I know Bilbao is much richer than Gibraltar, yes.

HON J BOSSANO:

I don't know how far along the other side one goes but, certainly it seems to me that if there is a problem about the capital we have got on this side, it is that very little of the capital on this side gets invested on this side. It might get invested in Jersey or on the gilt edged market but I think there has been a long history of under-investment in Gibraltar by Gibraltarian businessmen and even today when we are talking about possible major developments, we are not thinking of local

capital we are thinking of capital from outside. I don't think we are thinking of any Gibraltarian actually doing the Eastside project or the Queensway, or the Rosia. The kind of money we are talking about is not the kind of money that exists in Gibraltar. That does not mean that in the particular trade that the Honourable Member works there may not be people who do better out of the opening. But we are not talking about a negative effect for the economy in the sense that everybody will lose without exception, what we are talking about is what the Honourable and Learned Chief Minister himself said to the Select Committee on Foreign Affairs. He said that there would be winners and there would be losers. He said "As to the minuses for Gibraltar, obviously, in the same way as some commercial enterprises suffered when the restrictions were imposed and others began to flourish under the new situation, so some businesses will stand to gain and some to lose when the frontier is opened. This is an acceptable fact of life". That is what he said. We are saying the same thing. We are saying some businesses will gain and some businesses will lose but we are also saying if the Chamber of Commerce has not been taking all of us for a ride for the last 3 or 4 years in all the representations they have been making to the EEC Committee about the need for protection, then the businesses in Gibraltar in many areas will be facing a level of competition on the other side which they have not faced before and I stand by those words whatever the Honourable Member may think. It is not just a question of a willingness to survive, it is not just a question of a desire to survive, it is not just a question of the motivation existing, the motivation exists to survive everywhere in the world. Nobody actually wants to disappear. It is whether the circumstances, whether the infrastructure, whether the back-up capital on this side can withstand national competition. The essence of the problem that we face is a problem of size. This is why I find strange the conflicting statements from the Government, and particularly from the Honourable and Learned the Chief Minister, who very recently wrote to the Daily Telegraph on the 15th November this year - he seems to do lots of things on the 15th November, Mr Speaker, I think I need to watch that date very carefully from now on, he wrote to the Daily Telegraph defending the transitional period. He was saying a transitional period in this, as in some other areas, is not discrimination. He was doing it in answer to somebody that had accused Gibraltar of wanting to discriminate against Spanish workers by having the transitional period and the Honourable Member was defending the transitional period saying "it is a way of gradually adjusting situations which otherwise cause severe disruptions". But we have argued the opposite, we have argued that, in fact, time cannot produce the adjustment in our case because after 7 years we will still consist of two square miles and 7,000 homes, unless

some of them have emigrated by then, and that will not be altered whether you give us 7 years, or 10 years, or 200 years. The essence of our argument is the argument that the Honourable Minister for Economic Development used, that it is evident that the EEC is a club for big boys and the rules of the EEC are not designed for somebody our size, that is the argument, and that is the argument that we have lost. Having lost it, it seems to me that the Government have not accepted that it is now lost and I think we are to blame, quite frankly, I think we have wasted a lot of time in that Committee instead of getting on with the job, having lost the argument to get the rules changed for us in the EEC, the Government says "If Spain is going to get in to the EEC at the end of the year and we are going to have to give them all the rights at the end of the year and eventually the frontier opening is going to be beneficial, presumably, if it takes 3 years for the benefits to come through it is better to start counting the 3 years from February rather than start counting them from January next year. That seems to me to be the analysis that can only be, and I am only assuming that analysis, it is not that they have put it, but in trying to understand the position that they have adopted today and in trying to explain to myself the contradictions between everything that they have agreed with us in the past, I can only come to that conclusion. What I think has emerged today, and let me say that even if the arguments in this House are futile from the point of view of getting anything changed and I think that we have a great deal of motions on record to demonstrate the futility, if it isn't futile it is only when the Government sometimes accepts ideas from us for improving some of the legislation but apart from that I think in terms of major policy making most of the arguments only serve to maintain a record and I think we have got an obligation to put the point of view that we represent even if we know that it is not going to change the voting because we have been voted in this House to do precisely that. The people who voted for us still expect us to spend the next four years defending the stand that we took in the elections against the Lisbon Agreement for the renegotiations of the EEC and so on because those are the things that people voted for. We had those things in our manifesto and we will maintain that position. The thing that has emerged is that by the Honourable and Learned Chief Minister telling us that this was already put to him in November, 1983, all the things that have happened since November, 1983, are incomprehensible because the Government was continuing to give the impression to us and to Gibraltar and, as my Honourable Friend Mr Perez has mentioned in the elections there was no hint at all of the Government toying with the idea of advancing EEC rights, none at all, all the public statements have said the opposite. Now we find that, in fact, Mr Mascarenhas was a party to this knowledge, he knew in December, 1983. So much for the so-called bi-partisan

approach of the previous Leader of the Opposition who supported the Lisbon Agreement with the Chief Minister, who apparently didn't know anything about this because if he knew he certainly had no business to criticise the Government the other day on television and I imagine if he knew, Mr Canepa would have shut him up by saying to him "Why are you criticising it, you knew it since November, 1983". I think it is very wrong then for a person that knew to pretend now that it is complete news. He didn't well, then if he knew he should not be saying he didn't and if he did then he should be saying the opposite but it is clear to me, and let me say that it isn't that we in the GSLP disagree with the view that the executive of a party should be fully involved, we support that philosophy. We have got no quarrel with the AACR taking decisions in the executive of the party and involving non-elected members, we think that is an extension of democracy and we are in favour of it.

HON G MASCARENHAS:

If the Honourable Member will give way. I believe that at the time that I knew the information I think I was already a candidate for the party for the general election.

HON J BOSSANO:

Mr Speaker, I am not saying that it is wrong that the Honourable Member should know because it is contrary to our philosophy, what I am saying is that it makes a nonsense of all this business of me not knowing because I have not accepted confidentiality and the previous Leader of the Opposition knowing and the argument put by the previous Leader of the Opposition that if I had been involved I would have been able to influence the situation. As far as I am concerned, I was well informed by reading El Pais, The Daily Telegraph, all the information was there, although the British Government did not ask for my views, the British Government got my views gratuitously because what I did was that I wrote to the Governor and I said: "Look, I read in the press that you are thinking of advancing EEC rights and although Her Majesty's Government has not asked me what I think, I am giving it to you free of charge without being asked". There is no doubt of what the views of the GSLP were and in any case I am sure that Her Majesty's Government keeps itself informed of what both sides of the House think and what different politicians think so therefore there was no question that if I had been there and they had known how I thought, the agreement would have been anything different. It might well have been that if I had been there the debate might have come earlier, that is all that might have happened. It is clear to me, Mr Speaker, that at the end of the day the optimism expressed by the Honourable and Learned the Chief Minister is

unsustainable and unsubstantiated. We have had major differences of opinion before and therefore I can only say, as I have said on other occasions, let there be no doubt at all that there is no question of us attempting to embarrass the Government or exploit the situation for purely party political reasons. We honestly believe that a serious error of judgement is involved on the part of the Government, to put it at no higher than that, because we honestly believe that all the arguments that they have been putting and we have been putting in the context of the EEC still hold true. If we are wrong, and we don't think that we are infallible on this side of the House, and if this marvellous future predicted by the Honourable and Learned the Chief Minister comes through and if we are able to stand on our own two feet and it makes us more independent of the rest of the world and we can consolidate the Gibraltarian identity in both political and economic terms, then that is fine, he will have done a great service to Gibraltar. But if it all turns sour then he will have a lot to answer for.

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

The Hon J L Baldachino  
The Hon J Bossano  
The Hon M A Feetham,  
The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J E Pilcher

The following Hon Members voted against:

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

The following Hon Member abstained.

The Hon B Traynor

The following Hon Members were absent from the Chamber:

The Hon R Mor  
The Hon E Thistlethwaite

The amendment was accordingly defeated.

MR SPEAKER:

We have the original motion as moved by the Hon and Learned Chief Minister to which, of course, the Chief Minister on moving has spoken and the Hon Leader of the Opposition has spoken. Are there any other contributors to the motion?

HON J E PILCHER:

Mr Speaker, in introducing the original motion, the Chief Minister spoke about having a rational debate in the House. He said that the Hon Leader of the Opposition had challenged him to a television appearance and, obviously, that was not the forum where parliamentary matters of the importance of the Brussels Agreement should be discussed. He was entirely right that parliamentary matters should only be discussed in the House but I take it, Mr Speaker, that this is a certain cushy position in that as we can all see, the public gallery in the House of Assembly normally holds about fifty people and when one talks on a motion like the Hon Leader of the Opposition spoke on the motion briefly for 2½ hours then, obviously, the press and the television cannot report fully what is being said and might miss, if I may say, the most important points so I think it is the right time to remind the Chief Minister that very shortly after the opening of this House of Assembly he told the Opposition that he would look into the possibility of broadcasting the proceedings of the House. This would have been exactly what the people of Gibraltar would have wanted today, to hear such an important motion being discussed, not as the Hon Mr Canepa was saying in a half hour programme, but live on radio so that everybody in Gibraltar could have heard the Hon and Learned Chief Minister, the Hon Leader of the Opposition, and to have judged for themselves whether or not the Hon Leader of the Opposition's speech was boring or not boring.

HON CHIEF MINISTER:

If the Hon Member will give way. The question of the broadcasting of the proceedings of the House is no longer entirely in my hands.

MR SPEAKER:

I was going to say that the question of broadcasting on radio the proceedings of the House has been a matter which has been considered for some time. It is coming to fruition, we now have a letter from the Gibraltar Broadcasting Corporation to say that they have now got the expertise and the equipment to be able to carry out the broadcasting. In my last visit to London, no more than about three weeks ago, I spent two days in the House of Commons trying to find out the procedure and the matter is being looked into and should come to fruition in the not too distant future.

HON J E PILCHER:

I am glad to hear this, Mr Speaker, the sooner this can be done the sooner the people of Gibraltar will have a knowledge of what goes on in the proceedings of the House.

HON CHIEF MINISTER:

That is a reflection on the media.

HON J E PILCHER:

On summarising the position of the GSLP, I would like to refer to some of the points made in the interventions of Hon Ministers opposite. I think, just in passing, if I can mention that the Hon Mr Mascarenhas missed the point of the Hon Leader of the Opposition when he was speaking as regards the effect that the opening of the frontier would have on businesses in Gibraltar and the fact that businesses in Gibraltar had never had this kind of competition to deal with. The point was that pre-1969, the situation between the Spanish mainland and Gibraltar was completely different. Gibraltar was to a point very similar to a free port, a Ceuta situation, and people were more likely to come to Gibraltar to buy goods than they are at the moment. This is what the Hon Leader of the Opposition was referring to and I think this point was missed by the Hon Mr Mascarenhas although I realise that perhaps in his business there might be a boom. I was very disappointed with the Hon Mr Canepa's intervention. I normally look forward to his interventions as much as he says he looks forward to the interventions of the Leader of the Opposition. I am not sure whether he is going to intervene now as I suppose the Hon and Learned Chief Minister is just going to reply to the motion but I think he was speaking mainly to the gallery and not to the point in question. He spoke of the GSLP and of the fact that we gaze in awe at our party Leader when he speaks in the House of Assembly. Perhaps this is because we are a young party and we are all trying to learn from the Leader of the Opposition. I am afraid I cannot say the same thing of Hon Members opposite who gaze with awe at their shoes because half the time they are asleep when the motions are going on. The Hon and Learned Chief Minister spoke of honest opposition, of objective analysis. But, surely, Mr Speaker, being a lawyer the Hon and Learned Chief Minister must understand that an objective analysis must not necessarily be when two people analyse a thing objectively, they do not necessarily come up with the same analysis. I expect that has happened to him in his career, where he is convinced that what he has been saying in court is true and the jury have opposed what he has been saying. I do not suppose that the Chief Minister believes for a moment that the jury was dishonest. What I am trying to put across to the Chief Minister is that in our objective analysis, just because we do not come up with the same analysis that he comes up with, does not mean that we are a dishonest Opposition or that we are the prophets of doom in Gibraltar. It just means that we

analyse the position and we put the position honestly without being afraid of putting our position here and if every time we put a position it is a position of doom then, unfortunately what is happening is that that is the way that we are seeing it. The Chief Minister mentioned, he did so on television as well when he was speaking of the Brussels Agreement and of the different interpretations of the legislative proposals to achieve this which will be introduced in Gibraltar and Spain. I must say that although I agree with his version of executive power, this is a bit of a red herring, this is the first time in my sitting in this House that the Chief Minister has spoken of executive power and of the right of the Government to take decisions. Surely, in a democracy where executive power does come into effect, the views of the Opposition and the views of the people of Gibraltar also come into effect. We have heard him say that from the 15th November, 1983, he knew that some kind of proposals were being discussed with a view to bringing forward EEC status for Spanish nationals and yet until the Agreement has been signed there has been no mention of this in the House, there has been no mention of this in Gibraltar and he has not been able to in his sitting down and analysing and coming up with his executive power, he did not have the chance to analyse what the views of the Opposition or what the views of the people of Gibraltar were. I think it is undemocratic because in a democracy there exists a Parliament and there exists a Government and an Opposition and, obviously, the Government has the right to bring in a Bill, to bring in a motion which they rightfully consider that they will vote through irrespective of what the Opposition think but in that debate there might be situations where the Opposition might convince the Government. This cannot happen in this Agreement because there is a situation where the Agreement has already been arrived at with a third party, the UK Government, a party who has signed an agreement with another country and therefore it is impossible for the Gibraltar Government to do or to say anything different in this House of Assembly but to support the motion and to welcome the Agreement. Let us for a moment check the Agreement. Everything seems to revolve round the preamble to the Constitution. We all heard the Chief Minister say that if ever steps were taken which were contrary to the people of Gibraltar he would come back to this House and say so. I ask myself, when the Lisbon Agreement was signed and he put in a reservation, I try to ask myself what is the definition of a reservation, what does a reservation mean? Surely, a reservation means that the Government is not happy with this. He did this with the Lisbon Agreement. Three or four years later the Brussels Agreement comes up and he accepts this, again with a reservation. But, surely, is not the definition of a reservation that the Gibraltar Government is unhappy with this because it thinks that certain steps are being taken which are contrary to the people of Gibraltar? Is not this what the reservation means? And if this is what the reservation means, what does the preamble to the Constitution mean? What does respecting or honouring the wishes of the people of Gibraltar mean? When are the wishes of the people of Gibraltar going to be taken into account? When? It is very easy to say the wishes of the people of Gibraltar will be taken into account

but if in 1980 the Lisbon Agreement was signed and the Chief Minister, who is the person who whether we like it or not on this side of the House is the person who speaks for Gibraltar, put in a reservation saying that he did not like that all the differences were going to be discussed, and that implied sovereignty, surely, he must have done the same before the Brussels Agreement was signed when he went to see Sir Geoffrey Howe a week before the Brussels Agreement was signed. And if his wishes were disregarded, where does that leave the wishes of the people of Gibraltar and when do the wishes of the people of Gibraltar come into effect? When? When the British Government want to ask us what our wishes are? The wishes of the people of Gibraltar must be paramount throughout if this is what the Gibraltar Government is saying and I am sure that the reservation there has to be defined by the Gibraltar Government. If we look at the Agreement - and I was speaking privately to one of the Ministers opposite the other day - and I was saying: "Well, if the Agreement means everything you say it does, I must take my hat off to you". And I will, if the Agreement means everything that they say, everything that they answered yesterday in the House, all the positions that the Gibraltar Government say they will maintain despite this piece of paper, which is the Brussels Agreement. The Brussels Agreement speaks of giving Spanish nationals EEC rights or a lot of EEC rights as from the moment the restrictions are lifted. The Gibraltar Government says that in a lot of areas EEC rights will not be given. It speaks of free movement of persons, vehicles, goods, between Gibraltar and the neighbouring territories. The Gibraltar Government says that free movement has to be taken in the context of the Trade Licensing Ordinance, of a lot of Ordinances, and that that will mean nothing. Mutual cooperation will be . . . . .

HON A J CANEPA:

If the Hon Member will give way because we are dealing with a rather serious matter in respect of the answers that were given here yesterday in the House. We have never said that that means nothing. What we are saying is that the Trade Licensing Ordinance which is the main one that has been mentioned by the Hon Member opposite, is not in conflict with the Treaty of Rome, is not in conflict with EEC directives because it is of general applicability. It is non-discriminatory; it is a requirement in respect of Gibraltar as much as anybody else. Thus, if we impose certain restrictions on the importation of goods into Gibraltar on Gibraltarians, we are entitled to impose them on other people and that is why it can be argued, and I think the Attorney-General argued that yesterday morning, that he is confident that the Trade Licensing Ordinance was alright and could not be challenged.

HON J E PILCHER:

I accept that. Perhaps I was a bit too strong in saying that nothing at all was being given but this was one of the things mentioned, the main thing. Other things were mentioned as well and what the Government were saying yesterday was that in reality very little would be given as regards the Brussels Agreement and therefore this meant a victory for Gibraltar. You have been saying that all through. Is it not a victory for Gibraltar? You are not going to give the EEC rights in many of the cases, you are going to defend the free movement . . . . .

MR SPEAKER:

I think what the Government has said is that any rights that relate to things like the importation of goods and such like in Gibraltar is subject to Gibraltar legislation which is applicable to all Gibraltarians.

HON J E PILCHER:

I accept that, Mr Speaker, this is what I am saying, the only thing is that perhaps I am not getting my point of view across. What I am saying is that if this is the case it has to stand the passage of time. The fact that there is a limitation on the bread importation in Gibraltar and that the Hon Mr Canepa was adamant that this would not be changed, that they were adamant that things like levels of certain goods such as potatoes and other commodities had to be maintained and that any Spaniard coming in would have to rigidly comply with this Ordinance, all these things really made the Brussels Agreement not as bad as was initially envisaged, if you can uphold all these things. The Hon Dr Valarino said that no jobs were going to be lost because, obviously, if you do not allow people to bring in bread then obviously the bakeries in Gibraltar will carry on making money and carry on selling bread. He also said that 400 jobs were going to be created in the economy. What we are saying is that we will take our hats off to the AACR when they are able to deliver that. I would say to the AACR that when the pressure gets to the Spanish Foreign Office, they will apply pressure to the British Foreign Office and the Gibraltar Government will get their bottoms smacked like they have done in the past. This is what we are saying. If that is not the case we will eat our words on this side. Mutual cooperation on matters economic, cultural, touristic, aviation, military, environmental: I asked the Chief Minister yesterday whether he had any say in what happens at the airport or other areas which are really non-defined domestic matters. Although his answer was "Yes Sir", he then qualified that to say that obviously they advised the British Government of what the Gibraltar Government feel and this is to the extent that the Gibraltar Government have a control over the airport or any other area which comes under non-defined domestic matters. And I asked myself, having analysed their reaction to the sovereignty issue, will we get a situation where in six months time or a years time an

arrangement is made between the British and Spanish Government over the airfield and is accepted by the Gibraltar Government, with reservation. This is what I ask myself when I see co-operation on military and cooperation on aviation matters which are purely and strictly non-defined domestic matters. I do not think they can uphold the other areas which I have mentioned, let alone areas which are non-defined domestic matters. The Chief Minister also spoke of Working Parties. I have always been under the impression, and obviously I was wrong, that when we spoke of Working Parties we were speaking of local Working Parties who were working towards different things, culture, economy, tourism, environmental matters. I read with some strangeness when the Chief Minister said: "Gibraltar Government officials will as appropriate attend meetings of the Working Group whose work will be ad referendum to Ministers, including Gibraltar Government Ministers". What do you mean, including Gibraltar Government Ministers? Does that mean that the Working Parties will be between Britain and Spain and that the Gibraltar Ministers will just be part of a delegation? I thought that Working Parties meant that we would have our future and we would be taking care of our future, which is what the Chief Minister said in his speech, that this is the time to grab hold of our future and to move forward. How are we going to do that as part of a delegation of the United Kingdom? They talk of the Lisbon Agreement. I have not been in the House for very long but it seems to me that I remember that sometime in March or April this year the Chief Minister pronounced the Lisbon Agreement as dead.

CHIEF MINISTER:

Dying.

HON J E PILCHER:

No, dead. I am sorrying, dying, or in the ICU. The Hon Mr Canepa on television pronounced it dead and gave it extreme unction. He said defunct and I think defunct means dead.

HON A J CANEPA:

If the Hon Member will give way. In the House I have gone even further. Señor Moran and Sir Geoffrey Howe have worked a miracle, really. In this House I think I said it was in the process of being cremated.

HON J E PILCHER:

The Hon and Learned Chief Minister said he was not the Pope. I think this has been mentioned by the Hon Mr Canepa, that he wasn't Bishop or Pope yet. Sir Geoffrey Howe appears to be God because he has just resurrected the Lisbon Agreement and although it has changed its name to the Brussels Agreement, in all honesty the Brussels Agreement is a re-negotiation, and I think the Government have accepted that, of the Lisbon Agreement. The Chief Minister also spoke of the former Leader of

the Opposition. He mentioned it many a time to qualify many of the things. He was talking of the former Leader of the Opposition and the only thing that I want to remind the Hon and Learned Chief Minister is that although it is valid to make points of the DPBG, the DPBG are not today in this House. The GSLP opposed the Lisbon Agreement from day one and it has not changed its policy or its analysis one iota. The Brussels Agreement we see as worse than the Lisbon Agreement and therefore we continue to oppose it. We speak now of political advantages. If in 1980 we opposed the Lisbon Agreement, we were not trying to get a political advantage then, we just were mostly members of an Executive Committee with only one representative in the House who was Joe Bossano, and we were just putting a point of view across as we saw it. And today we are doing exactly the same the only difference is that today we are seven Members of the Parliament and not seven members of an Executive on a trailer in the middle of Casemates. That is the difference, but that is the only difference.

HON CHIEF MINISTER:

If the Hon Member will give way one moment. I only mentioned that because I was analysing the opposition to the Brussels Agreement and I necessarily had to analyse that a party, which is now almost defunct and which had taken part in previous proceedings, was taking a different view. That is all. I attach as little importance to them as I am sure Hon Members opposite do but when you have been a protagonist and you have taken part and you have said one thing and then because you are not in it you say the other, the analysis of his own leader says that if he had been in the House of Assembly now he would have come along on the Brussels Agreement.

HON J E PILCHER:

I agree with the Hon and Learned Chief Minister and, in fact, the Hon Leader of the Opposition has also agreed with him. If the composition of the House had been the same as the last time, the motion today would have been won fourteen to one and not eight to seven, as undoubtedly it will be won. Mr Speaker, the Agreement hinges on one thing and one thing alone. It hinges on the word faith. It hinges on the governing party's faith in the British Government, on the Members' opposite faith in the Hon and Learned Chief Minister and we are not saying that their faith is or is not or should or should not be questioned. We are looking at the Agreement analytically and taking a stand on the Agreement. The Hon and Learned Chief Minister seems to be saying that if we oppose the Agreement we are really opposing his thirty years of statesmanship, well, I will not proceed with that. Certainly, no one on this side of the House has said that the Hon and Learned Chief Minister is selling Gibraltar down the river, we think it is a difference of judgement, a difference of opinion which the future will decide who was right. Unfortunately, if it is true that we were right, it has serious consequences for Gibraltar but, certainly, that is the analysis of the GSLP. But in so doing

I have to say that in picking his position, the Hon and Learned Chief Minister is accepting the most comfortable position of the two. In the past thirty years which the Hon and Learned Chief Minister has been the Chief Minister of Gibraltar, except for a very short time, he has always accepted the position of the UK Government which happens to coincide many a time with the position which was best for Gibraltar because there was a dictatorial Government in Spain. Today, it is much more difficult because, as my Hon Colleague Mr Feetham says, there are other things playing in the same context, the EEC, NATO and many other things which are bringing pressure to bear on the Gibraltar Government and I think this is the area where it is dangerous for the Gibraltar Government to accept the more comfortable position. I think it is a comfortable position. I think in private the analysis that has been made is that there was nothing that the Gibraltar Government could do. They told Sir Geoffrey Howe in London what the position of the Gibraltar Government was, that they didn't want sovereignty included but that in the evening of Monday they were told of the Agreement and that sovereignty would be part of the agreement. They then proceeded to try and convince Sir Geoffrey Howe not to put sovereignty into that Agreement all through the night and all through Monday morning. At 1.30 pm the Agreement was made public and at 1.45 pm the Chief Minister was defending that Agreement as an honourable one, with reservations. If that is not true then I expect the Chief Minister in his analysis and in his intervention to tell me what exactly did happen between the moment that he left Sir Geoffrey Howe on the Wednesday and the moment that the Agreement was made public in Gibraltar. The Hon and Learned Chief Minister also spoke of the victory of Señor Moran. I think the Hon Joe Bossano has already tackled this point. I sat and watched television about two years ago in the Man Alive programme where Señor Moran said that he respected the wishes of the people of Gibraltar. But in their analysis, respecting of the wishes of the people of Gibraltar does not mean anything at all and what Señor Moran was saying on Spanish television does not mean anything at all because they divide the wishes of the people of Gibraltar and the sovereignty of the territory of Gibraltar, which we don't, on either side of this House. But to say that we should look at it as a victory because Señor Moran has said this publicly is nonsense because he said that at the Man Alive programme and he said it on television and he said it many a time. The point is that the Chief Minister said that one of the points that proved how good the Brussels Agreement was, was the fact that Señor Moran had said this on television and it showed that he now respected our wishes. He has been respecting our wishes all through, what he wants is sovereignty over Gibraltar. What he wants is what we call in Trade Union circles, and I am sure that many of the Members opposite will know, is a personal to holder status. That is what he wants, to give the Gibraltarians a personal to holder status as a Gibraltarian when the country is Spanish, that is what he wants. He also quoted Señor Moran as saying, I cannot find the exact words, he said it in Spanish: "No se puede preveer ni el ritmo ni el resultado de las negociaciones".

We are getting more and more Spanish in this House. I will translate just in case - "It is impossible to foresee neither the pace nor the outcome of the negotiations". No Member on this side of the House has said, in fact, the Hon Mr Mascarenhas picked it up, that this will be a question of three months, six months, nine months, a year, two years, ten years, twenty years, what we are saying is that the principle of sovereignty has been sacrificed and the Hon and Learned Chief Minister as a lawyer should know that it has now been put on the table and it is negotiable and for the past 260 years we have not negotiated. And we are told about this totally unfounded fear and mistrust. Totally unfounded fear? The Brussels Agreement, is this what the people of Gibraltar deserve for what they have been put through for the past twenty years? They talk of a status quo but wasn't a status quo, to a point, good for Gibraltar? The status quo made a situation where there were only two options, maintaining Gibraltar as a colony or slowly decolonising Gibraltar and moving on to a situation where Gibraltar was more economically and politically self-sufficient. These were the two options open under the status quo before the Brussels Agreement. But now the Brussels Agreement has brought a third factor into play - the sovereignty issue. If Spain had had to decide which of the two options it chose, whether to maintain Gibraltar as a colony or to accept that there was a process by which Gibraltar would become politically self-sufficient, then Spain would have chosen the latter but today there are no longer two options in process, there are now three options. Spain has now been told that sovereignty is negotiable so Spain will go for the third option. Whether it takes ten, fifteen, twenty or thirty years, that is the option that Spain will now go for and it has, to a point, closed the door to our fight for Gibraltar, the fight of the AACR, the slogan of the AACR. I refer to "The right to our land", not "Safe and Secure", I don't know where you got that slogan from. The right to our land is the slogan I am referring to, a slogan which although the AACR has now apparently dropped, the GSLP have always had this as their slogan because we do believe in the right to our land. I have made what I hope is an analysis and, obviously, I have brought points in which, according to the Chief Minister, must necessarily not be an objective analysis because I haven't come to the same analysis and the same conclusion that he has come to. All these are contradictory remarks. The Hon Leader of the Opposition highlighted that all these are contradictory remarks throughout. The Government have been contradicting themselves. They contradict themselves in the answering of questions, they contradict themselves in statements, they contradict themselves in the motion. How are we expected not only to analyse and come up with the same solutions as they come to but to have any kind of faith in them if since 1982 they have been saying one thing, today in 1984 they say something completely different and have, to a point, and although I do not sit in that Committee, I will look to my Hon Colleague, Mr Feetham, to agree with me or not agree with me, that in that EEC Committee the Government has been misleading the

Opposition. Even if our analysis were the same how could we have faith in a Government that is jumping from one side to the other and we can never trap them into anything because they do not admit to anything. They vote on motions in the House one moment and do something else the next. And, in fact, it has been proved here today by the Hon Leader of the Opposition that they have voted for a motion in December, 1983 when they had already taken another position in November, 1983. I think, Mr Speaker, that is all I have to say.

HON M K FEATHERSTONE:

Mr Speaker, the Opposition lays a lot of stress on the word "analysis" but from what I have seen they have not analysed to any great extent the majority of the motion put forward by the Hon Chief Minister. The first one declares that the wishes of this House and those of the people of Gibraltar as a whole are that sovereignty over Gibraltar should be retained by Britain. They have not said a word about that. They have not said whether they agree with that or whether they disagree. Where is their analysis?

HON J BOSSANO:

Mr Speaker, I can answer that point straightaway. I said in my opening remarks in moving the amendment that as far as we were concerned the first three points of the motion moved by the Chief Minister we had no quarrel with but the first three points had nothing to do with the fourth one, that one could be against the Brussels Agreement and still agree with points 1, 2 and 3 and that, in fact, we would be stressing that in the other two motions on the Agenda. I have already answered that.

HON M K FEATHERSTONE:

Well, if the Hon Mr Bossano said that I did not seem to pick it up. Anyhow, let us accept then that they agree with the first three points in the motion. What they do not agree with is the question that the agreement reached by the Secretary of State for Foreign Affairs and the Spanish Foreign Minister should be welcomed. I have a jaundiced viewpoint on this and I would like to paint two scenarios. We all know that the GSLP is doing its utmost to work for a victory for their party at the next elections. They have put on an air of respectability. The Hon Mr Bossano now lays a wreath at the Cross of Sacrifice.

MR SPEAKER:

No, no. Let us come down to earth and let us now talk about the motion.



HON M K FEATHERSTONE:

They have made much that ten months is being gained by the application of the Brussels Agreement now, ten months which we could easily forego and not implement until Spain joins the EEC, if they join, in 1986, although it might even be later. It is not an unknown fact that the economy of Gibraltar is going through a difficult period, a period which with the full opening of the frontier is likely to continue for some time. It has been stated it may take two years. Let us assume, Sir, that we waited until 1986 to have the full opening of the frontier. By 1988 - election time - the economy of Gibraltar would be just about rock bottom, exactly the point where the Hon Mr Bossano would say: "There you are, you have put your faith in the AACR, they have let you down completely, now is the chance to vote for me and my economic package". Ten months gained can mean a lot. A week can mean a lot in political circles. Ten months gained may mean that by 1988 Gibraltar is on the upturn, the economy is starting to boom, my friends in the Chamber of Commerce will be making money in their shops, in their businesses and I do not doubt that they have the acumen and the ability so to do. As the Hon George Mascarenhas said: "The entrepreneurial capability of the people of Gibraltar is very great indeed". And so you see the two scenarios, one in which the economy of Gibraltar is at a low ebb and open to the opportunities for the type of socialist Government which Mr Bossano feels should be the answer to Gibraltar, which thrives on depression, or the possibility of an upswing in the economy where the AACR can say: "You have put your faith in us, it was not wasted, it has come as we have forecast, things have gone initially as was expected, a little bit for the worse, but now the upsurge is coming, here is your opportunity to renew your faith in the AACR". What have we given for these ten months we have gained? Have we given anything on agreeing to talk on sovereignty? There is an expression in Spanish that by talking people understand each other. Well, perhaps, by talking to the Spaniards on sovereignty they will understand that as far as we are concerned sovereignty is not for discussion, sovereignty is not something which we are going to give away easily or hardly. We cannot speak for generations to come, that I think would be unfair. We ourselves wish to have the right to determine what we do today, generations to come in fifty, sixty, one hundred years may think differently, we cannot determine what they wish, but we can tell the Spaniards that as far as the present generation and as far as the generation that is following us, it is on the cards that sovereignty is something that we are not going to give to them and the sooner they learn it, and they will only learn it by discussion, they will not learn it by sitting on one side of the fence and ourselves sitting on the other side of the fence and never speaking to each other. I welcome the Agreement. As I said, it gives us ten months opportunity, ten months advance in trying to re-orientate our economy which is and has been for the last year or so at a rather low ebb. You have heard the Hon Financial Secretary talk of possibly having to do deficit

financing. This is something that is not what we would like to see for Gibraltar. This is something that the sooner it can be cured it must be cured. Therefore, I see no dangers in accepting the Agreement as it has been arranged. I have full faith in the Hon Chief Minister. I have full faith that when he went to see Sir Geoffrey Howe and he put Gibraltar's point as forcibly and as strongly as anybody in the Opposition could have put it or anybody else in Gibraltar could have put it. We have trusted him for the last forty years. He has not let us down. He will not let us down now. It is not hero worship, it is plain commonsense. Thank you, Sir.

HON H J ZAMMITT:

Mr Speaker, Sir, I want to be quite brief. There are a number of points which I think have to be brought to bear and one of the things I would like to say is to commend particularly Members opposite because of the way they have held this rather emotional discussion, where we have shown that we are somewhat different inasmuch as we can think with our heads and not with our hearts. I think that during the time I have been in the House of Assembly it is without doubt that the most important and crucial item that has been discussed in this House because everything we have spoken about previously, whether domestic or international, has invariably had a bearing on the restrictions at the frontier. In that context, I think that I will praise the Opposition in holding this discussion down to a reasonable discussion with ideas, whether we agree with them or we do not is an entirely different issue, but there has been something said which some people share but which we do not necessarily agree with. Mr Speaker, I think there is one basic thing and that is, do we want the frontier open? I do not think we can kid ourselves we have been politically and in every other field saying to the world that that situation was abnormal. If we want the frontier open and we do not want disagreement, which I will go into briefly later on, how then can we envisage an opening of the frontier on day X, after Spain's accession or day Y, before Spain's accession into the EEC, with what? Mr Speaker, do we honestly want, and I think we do not we are much more mature than that, to poke our tongues out to Spain and say: "We have licked you, we have beaten you, you have had to succumb". I do not think that is the thinking of mature people today and I think that this House has demonstrated particularly since I have been here since 1972, a purpose of maturity that there is no victory, there is no defeat, common sense prevails, and the best advantage must be taken of this. Mr Speaker, I lament, and I hope Mr Joe Bossano will not take exception to this, I lament that we have not been able to have a bi-partisan approach with Mr Bossano on this issue. I lament this because I think Gibraltar has lost. I do not want to mention the previous Leader of the Opposition. I think his political acumen was exposed beautifully, if that needed being done, at last Thursday's Giblinge, but I think the Hon Mr Bossano should have buried his personal pride and accepted confidentiality as much as I am sure he accepts confidentiality in union matters and, for the benefit of Gibraltar, he should have gone out of his way to have joined the Chief Minister . . . . .

HON J BOSSANO:

If the Hon Member will give way. It has nothing to do with confidentiality, Mr Speaker. We have been told today that the Leader of the Opposition, who was taking a bi-partisan approach because he supported the Lisbon Agreement, he didn't know in November, 1983, that is, in November, 1983, the United Kingdom Government consulted the Government of Gibraltar, not the Opposition, in spite of the fact that there was a bi-partisan approach. The reason why we do not have a bi-partisan approach is very simple. It is because we do not agree with the Lisbon Agreement and we do not agree with the Brussels Agreement. We had a bi-partisan approach on the EEC re-negotiation because we agreed on that. We have to agree to be able to go together.

HON H J ZAMMITT:

Mr Speaker, I take his point and I cannot obviously move him from a matter of principle which he feels so strongly about but I would have liked the Gibraltar leaders, particularly when for the first time since 1969, there has been an Opposition of members of the same Party which would have been an absolutely first class situation to have had a united front on the issue that all of us in Gibraltar hold so very dear. Mr Speaker, what I do think is wrong is that we seem to be bent on spreading fear and alarm. I said this to the Hon Member a few days ago in private. I think it is wrong of us, as leaders, to spread alarm because over the years, Mr Speaker, the people of Gibraltar have been subjected to leases, sell-outs, we have been sold down the river, guardia civiles up Main Street and God knows what. And we survived all that, Mr Speaker, because we have showed resilience over the years and we have overcome those fears. There are very many people in Gibraltar that worry and it affects them and at the end of the day it is analysed and explained to them properly that there is no cause for worry. The Leader of the Opposition has been speaking as a prophet of doom. For instance, Mr Speaker, I was reading Hansard when he was Leader of the Opposition in 1976, at the Opening of the House of Assembly. He then said; "This is the last House of Assembly". Well, Mr Speaker, we have had two Houses of Assembly after that and I am sure we will have another twenty Houses of Assembly still to go. I think that there is no need to say that kind of thing, certainly not publicly, Mr Speaker. Let us all work together because I know that all of us in this House have exactly the same thing in common, certainly on that issue. Let us work together, let us show the people that we are mature and that we are reliable. Let us lead and let us not spread the fear that is totally unnecessary. In 1964, in the Committee of 24, Sir Joshua said that no one in the world understood the Spaniards better than the Gibraltarians. I think we can afford to say that having been at their doorstep for close on 300 years. We know very well, Mr Speaker, that had this Brussels Agreement been a victory for Spain, I think the euphoria that would have emerged from there would have been terrific. After all, Mr Speaker, we can all remember the euphoria of Spain when

Paquito Fernandez Ochoa won a gold medal, we had it for six weeks on television. There hasn't been euphoria on the question of sovereignty. Let me tell the Hon Mr Juan Carlos Perez it is not true to say that sovereignty has not been raised before. I think if you read history, Spain has been claiming sovereignty over Gibraltar since 1704 or 1711.

HON J C PEREZ:

I have never said that sovereignty has not been raised by Spain. I said that we, the Gibraltarians, and the British Government, have never put it under discussion with Spain and because of our resistance, Mr Speaker, the restrictions were imposed and because we are now giving in, the restrictions are to be lifted. That is what I have been saying.

HON H J ZAMMITT:

I am afraid he is absolutely wrong again, Mr Speaker, because in 1964 when Mr Fred Leigh was Colonial Secretary, Britain challenged Spain to go to the International Court of The Hague to look at all the Gibraltar question. The whole of the Gibraltar issue was going before the International Court at The Hague at a time when Spain said we were a prefabricated population, the Committee of 24 was against us, the General Assembly was against us, and yet we had some jubilation, Mr Speaker, because Spain refused to take up the challenge. Today, Mr Speaker, where we have the aggressor, Spain, accepting the presence of the Gibraltarians and accepting the identity of the Gibraltarians and let me say that it is to me a matter of pride, and I am sure to everybody else, when I listen to radio late at night and I hear Cadena Ser ringing up Sir Joshua and referring to him as Chief Minister. It is something that was completely unheard of fifteen years ago, Mr Speaker. So what is the fear today? I told Members opposite at a dinner the other evening that I was one that questioned the Brussels Agreement. I had questions to ask and I did not have them cleared. I am not entirely delighted or pleased but what I am saying is that it is the best thing we can obtain at this particular stage. I think the Chief Minister put it beautifully. I do not care if people say I am a puppet or whatever, people know I am not a puppet to anybody.

HON J E PILCHER:

I was just thinking of the Hon Mr Canepa's "gaze with awe". The Hon Mr Zammit has mentioned his Chief Minister twice as beautifully quoted.

HON H J ZAMMITT:

Mr Speaker, the Chief Minister put it very nicely the other night over Spanish radio when he said: "It isn't a victory for Spain. Spain has not lost, Gibraltar has not lost, Spain has not won, Gibraltar has not won". Common sense has

prevailed and we are now coming back to a normal set of circumstances which we all wanted. If there is anybody prepared to come out saying: "We wanted it and we wanted it this way. We wanted the frontier open, the Spaniards to come in crawling saying how awfully sorry they were for the bad things they had done". Mr Speaker, let us be honest. We just cannot have that kind of thing. We have to be realistic and face facts as they are. Mr Speaker, in this House we get Shakespearean phrases, Churchillian phrases and the like. I am going to quote Marilyn Monroe. She said; "After you get what you want, you don't want what you get". I think, Mr Speaker, that is what we Gibraltarians, possibly, are failing to see. We cannot continue to argue only when it suits us. There is a reality to face and we must try and get the best deal possible. Spain is there, Mr Speaker, it is a fact. Mr Bossano himself did say that, Mr Speaker, in his speech at that particular Opening of the House, he mentioned the fact of our Colonial status and the fact that it was a reality that Spain was there. Let us stop quibbling about the nitty gritty and unite in a common purpose in trying to get the best of what we have been fighting for for very many years. Thank you, Sir.

HON A J CANEPA:

Mr Speaker, I would like to say by way of introduction in answering one or two of the points made by the Hon Mr Pilcher, that it is a truism, naturally, that reaction from politicians and from political parties to any political proposition is naturally going to vary by the approach, by the ideological or the pragmatic approach of the politicians in question. That has been very evident with the reaction to the Brussels Agreement as to whether some people in the United Kingdom have welcomed it or not or, indeed, in Gibraltar or in Spain for that matter. I challenged on television last week when Mr Isola in the same manner as he used to do here in the House when he is apt to exaggerate, because one newspaper in particular, and he made a Freudian slip, he mentioned The Guardian. The Guardian took a particular line and that is they welcomed the Agreement, I think they would have liked it to have gone much further, they believe that sovereignty of the people of the Falkland Islands should be negotiated away, that it was the sensible thing to do, the British economy is bleeding because of all the expenditure on defence in the Falklands, and they would have wanted to see, I have no doubt, this Agreement going much further to what they would regard as being the logical culmination of it all coming from a very liberal approach, the sensible thing, here you have got a democratic Spain, it is not the old fascist regime and so on. But The Guardian was not reflecting British press opinion. British press opinion varied and neither does for that matter "Ya", naturally, which is a right wing newspaper in Spain, reflect the average reaction of the press or the average man in the street, if there is such a thing, to the Agreement in Spain. But the important thing I think is this and it has to be underlined. The principle of discussing sovereignty has

been given away, yes, explicitly. Previously it was implied, now it has been conceded but not the principle of the transfer of sovereignty. Britain still stands fully by the preamble as she has always done. It is interesting how "Ya", in an editorial of the 28th November, which only came to hand during the lunch hour, makes that point. They go on to say that there are two points which detract from the optimism in Spain. The second one they say, oddly enough, is the question of the prohibited air space. They say that by Spain agreeing to remove it they are implicitly accepting British sovereignty over the isthmus which is a rather interesting assertion coming from a Spanish quarter but, obviously, "Ya", if they can undermine in what is a fairly levelheaded, editorial it does not go into dramatic blandishment against the Spanish Government but, obviously, it is a subtle way of attempting to cut the ground from under the feet of the Socialist Government. But the first point is the question of sovereignty and it quotes the statement about the British Government honouring fully its commitment to honour the wishes of the people of Gibraltar and it goes on to say that Moran and Howe spoke moreover about rights, just as established in the 1969 Constitution. And this means, they go on to say, neither more nor less, that the British position has not changed in this respect one iota. On the contrary, it has been reaffirmed in an agreement signed by the Spanish negotiators. This is another way of looking at it and I am just quoting that because it underlines the point that one is coloured in one's appreciation of the document of an agreement. The Hon Mr Pilcher, I think, was wrong when he was speaking passionately about respect for our wishes, when he was saying why should the British Government agree to negotiate sovereignty, be prepared to put its signature to such an agreement when the people of Gibraltar do not want this, when repeatedly there have been motions in this House to that effect. I think it has got to be understood that in the preamble to the Constitution, the British Government commits itself to honour our wishes in the context of a transfer of sovereignty and that our wishes are paramount in that respect. That is where I think you have in an indirect way a right of veto. But the British Government has never committed itself in the conduct of its responsibility on foreign affairs to accept everything that we want. That is why we express views in the House, the Chief Minister expresses views on behalf of the Government of Gibraltar through the Governor and directly to the Foreign Secretary and our views may not be taken fully into account to the extent that they are paramount. Obviously, their attitude is going to be coloured by what we say and we have considerable influence but the mistake should not be made of thinking that paramountcy of the wishes of the people is in respect of everything to do with foreign affairs because we have accepted in the Referendum, and having regard to the fact that we are a dependent territory, to place the conduct of foreign affairs in the hands of the British Government. But on this crucial and fundamental issue of the transfer of sovereignty the transfer of sovereignty is in respect of people and territory. The Gibraltarians are not Gibraltarians in Corby, Newtown, they are Gibraltarians in Gibraltar. I think

that is obvious so it is in that context of not having handing over the people and all the territory of Gibraltar against our wishes that paramountcy comes into effect. Dealing very briefly with the various points made in the motion, Mr Speaker, alright, the first three points, perhaps, are axiomatic up to a point but in the context of the Agreement at Brussels and in the context of the fact that we do not like that a commitment to discuss sovereignty has been entered into by Britain explicitly, I have no doubt that it is essential for this House to reaffirm at the first opportunity that we have to do so after the signing of the Agreement, that our wishes and those of the people of Gibraltar as a whole other than those people of the PAG, the Party for the Autonomy of Gibraltar, autonomy under the Spanish state and under Spanish sovereignty, that our wishes are that sovereignty should continue to be retained by Britain. Going on to the second point of confidence in the British Government. One point that has not been made today so far is what I think has been a very successful policy on the part of successive Governments of Gibraltar, and I only came into the picture in 1972, and the battle that was waged was being waged and won, I think, before my time culminating in the preamble to the Constitution, but throughout a long period of time successive Governments of Gibraltar, mainly through the Chief Minister who has repeatedly stuck his neck out, have committed the British Government to stand by the people of Gibraltar with the policy of support and sustain, the preamble to the Constitution and so on, by placing our trust in the British Government and its Parliament. I think it has been a very successful facet of the trust which the Chief Minister has had in Britain and for which he has been criticised on numerous occasions. The second paragraph in the motion deals with the question of the preamble but it does not quote the preamble fully and I very much hope that the DPBG will not take offence at the fact that in the same way as in the Brussels Agreement the whole of the preamble is not spelt out, we in the House through the motion of the Chief Minister, are not spelling it all out. There is no need for it. As is set out in the preamble to the Constitution, the British Government would take into account our wishes which have to be exercised freely and democratically. And by leaving those words out, either of the Agreement or in this paragraph, that in no way, I think, weakens the essence of the preamble because if that is weakened then the preamble falls apart so the preamble must stand as a whole. In Parliament, very often, the whole of the preamble is quoted and I think it very much depends on the context in which the matter is being dealt with such as in the case of an answer to a parliamentary question. The third paragraph is the question of our appreciation in the British Parliament and it is no secret that there is a problem with respect to certain Members of Parliament, coming from a certain quarter, whether perhaps because of the ideological views that they have or because of their lack of contact with Gibraltar, do not support the view that traditionally we have had from the vast majority of Members of Parliament. We saw that only too eloquently expressed in 1981 from two very left wing Members of the Labour Party one of whom, happily, is no longer a Member of the House of Commons. I think it must have been, I was going to say "las maldiciones" of the people of

Gibraltar but I shouldn't, perhaps, say that, but he is no longer a Member, and what I think we have to be very careful and I know that all Members here are conscious of this, is that we cannot afford to be complacent in this respect and we have been working hard to nurture the support that there is in Parliament, and we have to continue to work hard and even harder, perhaps. Parliamentary visits from UK delegations such as the one we had here recently are costly for a small territory like Gibraltar but it amounts to money which is extremely well spent and I was very glad to see, in particular, one of the Members belonging to a party where there is a certain amount of disquiet, the very committed line that he took, the very sensible line that he took and I am sure that in him we will have a lot of support in Parliament. I just hope that his party do not kick him out when the time comes for the next election as they are doing with many moderate and sensible people. That brings me to the last point which is the welcome that we have given to the Brussels Agreement. I made one point earlier in the debate in favour of the Brussels Agreement. I want to make another one. I see it as a culminating step in the process of recognition and acceptance by Spain of the reality of the people of Gibraltar as a people with a separate identity. The process, perhaps, started in November, 1977, in Strasbourg, and it has been taken a number of stages forward. I do not think it is a question of magnanimity on the part of the Spanish Government or Señor Moran, I think it is a question of stark realism on the matter. He does accept that the wishes of Gibraltar are paramount, he is no longer speaking about interests but wishes and the reality of the situation is not only because he knows that it is inconceivable that the present, or indeed the next generation, can be wooed by Spain, but the matter goes much further than that and Spain herself has got certain interests of an internal nature, I would imagine, and which Señor Moran has spoken about, which would preclude her wishing to have the people of Gibraltar transferred, and Gibraltar, under Spanish sovereignty against our wishes. Spain is fully aware of the problems that can be created for a state in internal security by having a people, or a large proportion of a people under the Spanish state who do not want to come under Madrid, who do not want to form part of the Spanish Government, and there is the problem of terrorism in Northern Spain. Far be it for me to say that that is what would happen in Gibraltar but it is a very serious problem to have at the entrance to the Mediterranean, a people under you who do not wish to be under you and who can create in certain circumstances, difficulties. This is not magnanimity, this is stark realism. This is, I think, maturity on the part of a democratic Government in Spain which is learning from the problems that face them. I think that it is an aspect that has to be borne in mind and in summing up, Mr Speaker, as I say, generally, I know that Hon Members opposite reject the fourth paragraph of the motion. I wonder whether they might somehow find it possible to at least vote for the preceding paragraphs with which I am sure they do not quarrel because there are certain principles stated there which I feel very strongly require to be re-stated at the first opportunity that we have had in this House to discuss the Brussels Agreement since it was signed.

HON CHIEF MINISTER:

Mr Speaker, I am grateful to my colleague for having covered a considerable amount of stuff which would have had to be answered by me; he has done it admirably and I am very grateful that that will make my contribution shorter, but there are one or two matters that I should want to discuss. First of all, I had no obligation to state here when the process which has culminated started. I had no obligation and therefore I want to explain why I said it and I want to explain what was happening in the meantime. I volunteered that because I felt I had to open my heart and everything that has happened in this House because it was necessary but I want to assure Members of the House of Assembly Committee that there was, in my view, no inconsistency whatsoever to try and improve the situation of Gibraltar within the Common Market and thinking in terms of an eventually inevitable fact that Spain was joining and that Gibraltar had to join. In my view, and I say so in all honesty, in my view, there was no misleading of the House of Assembly Committee because there what we were doing was to try and see whether we could tailor part of the Common Market to our requirements or try and improve in the overall. Spain was not concerned with that, it was a matter between us and Britain and Britain and the Community. Therefore there was no question of that at all and the idea, as was put to me, I sounded opinions reasonable wisely. In many ways, one can sound opinion without revealing why you are seeking certain information, one has ways of doing it and one knows where one can find proper places where to do it and how to do it and the feedback I got very directly was - reciprocity yes, that should be wearable, that could be good - in advance, oh yes. I did not have to look for the reaction of Members opposite, I knew more or less what they felt and I make no secret about that, they were against the Lisbon Agreement. I am not going to either confirm or deny the rather interesting version given by Mr Pilcher, I don't know whether he said where he got it from but I am not going to either deny or in any way say anything that would tend to show whether he is right or wrong. These things happen and therefore it is up to people to say what they want. To some extent his version gives me an element of credit for fighting about this matter to the last moment so in that respect the version, as I say, gives me credit for fighting for something to the last moment, according to him, I am not going to say whether I did it or not. I stand by what has been agreed and I take the responsibility for what has happened after. First of all, the matter did not materialise until much later insofar as the other approach was concerned but there should be no misunderstanding about that. I stated it because I felt that I wanted to show that this was not a sort of trick that had been suddenly brought out, like a rabbit out of a hat, it was something that had been maturing in the minds of people who were aiming at getting something that was reasonably acceptable to us. I think my Colleague, Mr Ganepa, has very properly explained the question of the veto that we have and that brings me to a point made by the Hon Mr Pilcher whose contribution I thought was very helpful apart from my being grateful for his acknowledgement of good faith which is always nice to hear from Members opposite when

one has a situation as one has now with a reservation. The reservation means that I have been a party to that Agreement which takes certain steps which we think are right - whether you think it is right or not is another matter - but I am free to argue what is there that I do not like. If it had been a question of a transfer of sovereignty then I would not have been a party to it, I would have gone away but if there is some area of it which I do not accept I reserve my position. It would have been different if I had not made that reservation we would not have been able to be talking as we are openly in this House throughout the day about this matter. That is what the reservation was about and exactly the same thing happened in the case of the Lisbon Agreement, exactly the same thing happened. We did not like the idea that there was a possibility of discussing sovereignty but there were other factors in the Agreement that to us looked favourable. There is one thing that the Hon Mr Pilcher said which I have to correct when he said that I had always accepted the position of the British Government. That is not true, what happens is that in the end if you come to an agreement you find the final analysis of the agreement because you have come to some terms, what goes on behind is nobody's business. As the Hon Mr Canepa was saying, how we have been able to take along in most respects the British Government with us over the years is not an easy matter, it has been an on-going matter. Let me say that the same has happened with the Constitution which bad as it may be you have found yourselves with in your hands. That was not an easy matter, getting the constitutional development of Gibraltar was not for the giving just like that, every step had to be fought and you fight with the friends with whom you have to live, you have to fight in a way that you can save your face and you save the face of the person with whom you have to carry on living because one of the, if I may say so, weaknesses of the approach of the Leader of the Opposition, and he said so in so many terms today, and that is that he speaks of Gibraltar as if we were an independent state with no limitations. He said: "We are not being dealt with like two nations". Of course we are not a nation, we are a nation in ourselves but we are not independent and that is the reality. I told you I would put myself down for independence if it was guaranteed by everybody around the place but it is a fact of life that our partnership with Britain is one of a junior partner. Perhaps we are heard much more than ordinary junior partners are heard from time to time and that must always be borne in mind and that brings me to the question of what is possible in such a situation. That is the parameter on which one's struggle is all the time going on and that is why you see the end result and you say it is bad. You might have seen the beginning of it and you would throw me out of the window but that is the position, that is the position of not being completely independent and being able to carry out part of what you want or what you think is the best deal possible. I do not want to go again over trodden ground but that is what happened with the Dockyard and, of course, it remains to be seen who was right. I hope Hon Members opposite are wrong as well on that matter, I am sure of that, but I can tell you that if it had not been for that this would be the

blackest Christmas in Gibraltar's history, if that Dockyard had closed and they had done nothing in its place. The other thing that is worth thinking a little about is if it is going to be difficult to live with our neighbours within the Common Market because of the relative size and so on, how much more difficult would it have been if that frontier had had to be opened by virtue of the veto of Britain for Spain to join the Common Market? How bitter would they have been to us forever that they had had to do that by force of the veto rights in the ratification of Spain's entry? What bitterness would have been left there for future generations? This, to us, is a good deal. To Spain it is, if I may say so, an honourable way of getting out of a difficult situation which they have inherited. Perhaps, if they had been a democracy, the restrictions would not have been started but by God once they did it, democracy or no democracy they have tried to make the best of it and we have tried to make possibly the worst of it and that is where Government by compromise, Government by trying to get the most favourable situation, the least possible objectionable situation, that people who are not completely independent find themselves when they have to live with a Government which has overriding powers and wants to respect the powers of small people. That is the difficulty that Members opposite have not been through - I hope they won't be through it for a long time - but that is the difficulty that has to be faced when one has got to deal with these matters. When the Hon Mr Feetham brought out the Iberplan Report I was reminded of the fact that of course the Spanish economist who did that was Señor Tamames, who is now a very famous militant member of the Communist Party of Spain, but that did no more than make an economic analysis of the situation and arrive at certain conclusions. That brings me to the other point of the Hon Mr Pilcher that of course two people, and I think that was made by the Hon Maurice Featherstone, the fact that two people make an analysis does not mean that they come to the same conclusion, the only point is that it is no use discussing matters without analysing the facts behind them and then come to conclusions and I entirely agree again with Mr Canepa when he said that, of course, people are conditioned by their attitude, by their political approach and so on. This is why we may agree to differ in many matters and still hold the principles, in general, which are compatible in many other ways. I hope I have covered the main ground because certainly I would never have tried to emulate the Leader of the Opposition in terms of the length of his speech. There is one point that I would like to make because it is also important, it is not directly related to what I was saying now but there are two points. First of all, I reaffirm my view that there has been no re-negotiation of the Lisbon Agreement, I reaffirm that very strongly and very sincerely. I do that because I am quite convinced and the fact that it is referred to again was a face saver to some extent for those concerned in this matter in order to give it a new lease of activity if not life but otherwise I think that the Agreement had to be related or rather, the rationale of it was the increasing approach of Spain's entry into the Common

Market. That would not have been possible in 1980 or 1981 or 1982 or 1983, it was only in 1983 when she started getting near to joining the Common Market and that is the reality. Again, on the question of independence and so on, what do we do when we do not find the purpose that we want, the changes in the Common Market? I know that the comfortable thing would be to say, leave it, but what remains behind it? First of all, a closed frontier; secondly, is Britain going to uphold us, are we going forever to live without the hope of being self-sufficient? Certainly, I have said many times and I say so here, I am not prepared to preside over an administration that requires handouts for the budget and then for somebody to come from England to find out whether you are entitled to buy a bicycle or a typewriter because they are footing one-tenth and you are footing the other nine-tenths into the kitty, I am not prepared to preside over that, I am prepared to try and see whether the people can make a way of life in such a way that, at least, if we cannot achieve that independence that we all crave because that is human, at least we should acquire an economic independence that if we do that then our strength with Britain is much better and we can achieve it much better by talking from a position of strength than from a position of weakness. It is all these considerations, all those limitations that we have, that has brought us to the inevitable conclusion that this was the best deal possible and that is why I commend it to the House.

HON J BOSSANO:

I would like to say something, Mr Speaker. It was our intention to vote against the motion as a whole and as far as we are concerned our position is clearly set out in the other motions anyway, but if the Hon Minister for Economic Development feels it is so important, we do not see that it is but if he feels it is so important then if we take the first three parts separately we are prepared to vote in favour in deference to what he said.

MR SPEAKER:

It so happens that the first three paragraphs of the motion can stand on their own so therefore I will put the question first insofar as the first three paragraphs are concerned.

Mr Speaker then put the question and on a vote being taken on paragraphs (1), (2) and (3) of the motion the following Hon Members voted in favour:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon A J Canepa  
The Hon Major F J Dellipiani  
The Hon M K Featherstone  
The Hon M A Feetham  
The Hon Sir Joshua Nassan  
The Hon G Mascarenhas

The Hon Miss M I Montegriffo  
The Hon J B Perez  
The Hon J C Perez  
The Hon J E Pilcher  
The Hon Dr R G Valarino  
The Hon H J Zammitt

THURSDAY THE 13TH DECEMBER, 1984

The House resumed at 10.45 am.

PRIVATE MEMBERS' MOTIONS

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House - (1) declares that the soil of Gibraltar belongs to the people of Gibraltar who wish to live under the sovereignty of the British Crown; (2) declares that there is one single issue of sovereignty, that of the whole territory of Gibraltar and its people as a single indivisible and inseparable unit; and (3) requests Her Majesty's Government to inform Señor Moran of the above and correct the misconception he has made public, that the Brussels Agreement commits Her Majesty's Government to discussing the sovereignty of the isthmus, the City and the people of Gibraltar as separate issues". Mr Speaker, I imagine that there will be less of a gap between the Government and ourselves on this one than on the previous motion or on the amendment to the previous motion. There was, I recall, some time ago, another occasion when I brought a motion to the House stating that the soil of Gibraltar belongs to the people of Gibraltar and, as I remember, the Government side found it easier to support that than the other Members of the Opposition at the time. In fact, the phrase came from a document to which all Members of the House, of the Legco as it was then, I think, subscribed to in 1964. I think in some of the remarks that the Hon and Learned Chief Minister made yesterday in exercising his right to reply on the other motion, I think one can say that certainly the present composition of the House of Assembly must be one where there is a stronger sense of stressing the identity of Gibraltar and the Gibraltarians and the indissolubility of the two than there has been. I would say, for some considerable time, certainly since 1964/65, when the first movement towards the possibility of integration with the United Kingdom started. I think it is important, therefore, to draw attention to the fact that the first part of the motion is designed to show how there is no incompatibility between the question of the Treaty of Utrecht that invested the sovereignty of Gibraltar on the British Crown and the human right of the right to one's homeland which has nothing to do with political or national concepts. That is an older concept than even the nation state, the right to call a place one's home because one has been born there and because one's ancestors have been born there. I think in one of the programmes that there was recently on Spanish television it was one of the representatives from La Linea, representing the movement for reconciliation, who put it, I thought, most aptly in defending the rights of the Gibraltarians to their homeland as a right more ancient than any political concept or any concept of nation state. It is appropriate, I believe, after the House has approved by a Government majority the negotiations envisaged in the Brussels Agreement, and after the House by a Government majority welcomed the granting of EEC

The following Hon Member abstained:

The Hon B Traynor

The following Hon Members were absent from the Chamber:

The Hon R Mor  
The Hon E Thistlethwaite

On a vote being taken on paragraph (4) of the motion the following Hon Members voted in favour:

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

The following Hon Members voted against:

The Hon J L Baldachino  
The Hon J Bossano  
The Hon M A Feetham  
The Hon Miss M I Montegriffo  
The Hon J C Perez  
The Hon J E Pilcher

The following Hon Member abstained:

The Hon B Traynor

The following Hon Members were absent from the Chamber:

The Hon R Mor  
The Hon E Thistlethwaite

The motion was accordingly passed.

The House recessed at 7.55 pm.

rights to Spanish nationals implicit in the Brussels Agreement, that the House should now have an opportunity to demonstrate that that is not a change of policy from the views that elected Members of the people of Gibraltar have been consistently putting forward for twenty years. We, on this side, have expressed our concern that there appears to be and that there is, in our judgement, a major departure from what we have been saying. Therefore, more than anything else I think this gives an opportunity to the Government to demonstrate that in their judgement there isn't a major reversal of policy to, in fact, support the motion and therefore show that they are able to vote in favour of a motion that welcomes the Brussels Agreement and still vote in favour of a motion that stresses the view, I think, in Gibraltar, which must be virtually universal. It would be very difficult, Mr Speaker, to find anybody in Gibraltar irrespective of their political persuasion who would disagree that for us Gibraltarians there can be no question of sovereignty consisting of separate issues which can be dealt with separately and certainly, the contrary view has never been put as explicitly or as clearly as it was put by Señor Moran on his return to Spain. Therefore, the last part of the motion which is perhaps the one that the Government might find more difficulty in accepting is still a necessary part in our view because it isn't enough that we should be clear ourselves, I think it is necessary that Her Majesty's Government should make sure that the Spanish Government understands the position of the people of Gibraltar and of the House of Assembly of Gibraltar and that we are not at a later stage accused of welching on the undertakings contained in the Brussels Agreement as they were understood by Spain at the time the Agreement was done. I think, given the fact that the Government is giving its support to that Agreement, given the fact that the Government will use its majority to introduce the necessary legislation, I think it would not do Gibraltar any good if at a later stage we started finding that there were different versions of what the Agreement meant as happened after the Lisbon Agreement. I commend the motion to the House.

Mr Speaker then proposed the question in the terms of the motion moved by the Hon J Bossano.

HON CHIEF MINISTER:

Mr Speaker, we will go along with the first and second paragraphs of the motion in the way they are drafted. There may be a problem on the third one to which I will refer to later on but it is only a matter of form and not of substance. The Hon Member is perfectly right to say that he is not bringing anything new to this House in respect of the soil and, in fact, in this pamphlet to which the Hon Member referred, there is something else which is interesting in connection with something else that was said yesterday. First of all, it was signed by the then Members of the House of Assembly who were Members, the Chief Member and Mayor at the time, Messrs Risso;

Serfaty, Seruya, Isola, Ellicott and Baldorino. By the time the booklet was ready the Legislative Council Elections of 1964 introducing the Landsdowne Constitution had taken place and it is reinforced by the signatures of the Members of the House of Assembly at the time. At page 11, the third paragraph, Sovereignty Over Gibraltar, we said: "The soil of Gibraltar should belong to no one but the people of Gibraltar and the people of Gibraltar do not desire to be united with Spain. Part I of this publication dealt with the right of a colonial people to end their colonial status by the exercise of self-determination but emergence from a colonial status is not of itself enough if it does not also ensure that the right of self-determination is exercised at the same time and enjoyed securely thereafter". So, really, in that respect who could dispute something we have been asserting for the last twenty years and perhaps re-assertion now for the reasons stated makes it welcome. But there is a point there that answers a matter which was raised by the Hon Mr Pilcher last night about going along with the British Government when it suited both. As I said yesterday, we haven't always agreed with the British Government, we go back twenty years for that to show. At that time, for reasons which were not directly connected with Gibraltar but which was a matter of principle for the British Government who were under great pressure in the United Nations and the fact that she was decolonising the bulk of her empire, didn't make her more popular. That is why we suffered a lot at the United Nations at the time because all the guns were against Britain at the time because she was not devolving quick enough and she was not able to do it quicker. The whole of Africa went, the Far East went, but then the British Government was averse to United Nations missions to various territories because they caused much more upsets than they would want to having regard to the matter of the question of public order and so on. Therefore the pamphlet itself said: "The British Government which is responsible for Gibraltar's international relations is opposed to the visit of official United Nations missions to dependent territories. The undersigned Members of the Gibraltar Legislative Council, however, have the honour to tender a most cordial invitation to any individual Government which wishes to send a representative to Gibraltar to ascertain conditions here and to verify the statement made by the Gibraltar Petitioners in New York in September, 1963, and those contained in this publication". This was sent to all the members of the United Nations. We were differing at that time on the approach even though the principle was the same. Of course, we have no hesitation in saying that we naturally support the motion which contains something we were saying twenty years ago. With regard to paragraph (2) of the motion, the Government will also vote in favour with paragraph (2). Maybe that some people think that it is a bit tiresome to be continually stating the obvious but, perhaps, the reasons given by the Mover for reiterating it now are good enough. Where he says that the whole territory of Gibraltar and its people are a single and indivisible and inseparable unit, to which we agree, again there is no new ground on that. On the 19th September, 1963, twenty-one years ago, I told the



Committee of 24 of the United Nations, and I quote: "The land on which Gibraltarians live is their birthplace and was the birthplace of their forebears for no less than 250 years. A man has an indefinable pull towards the land in which he was born. He wants to continue living in this land and he wants to decide for himself how he shall live there. The people of Gibraltar want to continue living in Gibraltar and they have decided how they want to live there". That, really, is a more than good reason for saying that it is trodden ground and that we are happy to be able to support it. With regard to the third paragraph, again, the spirit of it is approved but I do not think it is appropriate for this House, if I may say this with respect, in a formal motion of this House for us to attempt to deal with the tactics which should be adopted by Her Majesty's Government. I believe that we should express our views and communicate these to the British Government and leave it to the British Government, taking account of our views, to decide how particular matters should be handled in contacts for discussion with the Spanish Government. I think that sometimes motions that are brought here and are beyond our power sometimes can later be mentioned as not having been complied with. I have an amendment which I hope will be accepted by the Hon Members opposite and that is that instead of paragraph (3) the substitution should be "requests Her Majesty's Government to take note, for the purposes of any discussions with the Spanish Government, of the views of the people of Gibraltar as expressed above". For all we know, by the time this comes to happen, it may not be Mr Moran. This is the amendment which I move and which I hope will be acceptable.

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

MR SPEAKER:

You are entitled to speak on the amendment.

HON J BOSSANO:

On the amendment, yes. We are prepared to accept the amendment moved by the Government. There is some logic in what the Hon and Learned Chief Minister has said that Señor Moran may or may not be there when and if the time comes to discuss the issue or issues of sovereignty, as the case may be.

HON CHIEF MINISTER:

It may be the great grandchildren.

HON J BOSSANO:

Of course the fact of the matter is that no doubt whether Her Majesty's Government does inform Señor Moran or not, the fact that we are debating it in this House and that the motion has

been made public means that Señor Moran will no doubt have taken steps to get himself informed. We would rather not divide the House on what we consider to be an important motion and therefore we are prepared to accept the amendment.

MR SPEAKER:

Does the Hon Chief Minister wish to reply on the amendment?

HON CHIEF MINISTER:

No..

Mr Speaker then put the question which was resolved in the affirmative and the amendment was accordingly passed.

The following Hon Members were absent from the Chamber:

The Hon R Mor  
The Hon E Thistlethwaite  
The Hon B Traynor

HON MAJOR F J DELLIPIANI:

Mr Speaker, I am just going to speak on the first part of the motion which refers to the soil of Gibraltar, which is the philosophy that we all share in this House and the whole of Gibraltar shares, 99.9%. It is one thing to talk about the philosophy and another thing to talk about the practicality of this philosophy and I cannot distinguish between the soil and the land of Gibraltar. This brings me to a question which has vexed me for some years and continues to vex me at the moment and I am sure in three year's time, when I leave, it will still be a vexing question for me, it annoys me a lot. This is the question of the land that is still held by the Ministry of Defence and however good the intentions of the UK Government in the United Kingdom, I can tell you that the mandarins that are here in Gibraltar, the vast majority of them play the "Sir Humphrey" role. I can tell you that there has still been no real progress in any of the projects which we need so much to diversify our economy because some of the more junior, the senior people are more receptive, but some of the more junior staff of the MOD and the PSA/DOE and the Regional Surveyor and all that crowd are not particularly fond of us. It so happens that I share a telephone with my Director of Public Works and there is no light to indicate when he is talking and I picked up the phone and I heard a very English voice whom I know personally and I knew immediately who it was, because he does not particularly like us, saying: "I think at this stage you should keep Frank Dellipiani out". I can assure you that I immediately hung up the phone because it is not in my nature to eavesdrop. The Director, of course, immediately got up and told me every, every word that the other chap had told him so it just shows you the attitude that unfortunately some Members who represent the British Government have in Gibraltar. And until we maintain a really strong line on the question of the disposal of the land, not when it suits them but when it suits us, we will never get off the ground.

MR SPEAKER:

Are there any other contributors?

HON M A FEETHAM:

Mr Speaker, I feel I would like to make a contribution on the motion mainly because it is the first time that I have been in the House where one could say that the formulation of a declaration of principles is being put to the House this morning and this declaration, obviously, Mr Speaker, must be based on the principle of human rights which is embodied in this House and on the principle of international law as would be applicable to Gibraltar and its people as a response, and this is what this motion is, as a response to the declaration by the Spanish Foreign Minister, Señor Moran, in his public statement that the Brussels Agreement commits Her Majesty's Government to discussing the sovereignty of the isthmus and the City and the people of Gibraltar as separate issues. Sovereignty, Mr Speaker, is not only a highly important issue of international law but it is also a highly emotive one. That is why it was only to be expected that after 274 years of British refusal to discuss sovereignty over Gibraltar with Spain and Spanish insistence that it must, that there should be a heart searching quest by the people of Gibraltar that Britain should accept that this process could begin. But, Mr Speaker, what does this imply when we talk about sovereignty? Let me concentrate on the responsibility aspect of sovereignty. First, by its very nature, Mr Speaker, it imports the notion of obligations as well as rights into the arena and that is also at the very heart of international law. Secondly, the principle of sovereignty enables and indeed requires, Mr Speaker, the practical context of analysing and breaking down into possible segments what sovereignty entails especially in the light of statements and the way the Spanish Government envisaged that the discussions would pursue. These rights and obligations could be broken down into different authorities and entities within the Constitution and the rights of the people of Gibraltar. We are talking, as the Chief Minister earlier pointed out, on the question of internal Government including civil, criminal and individual rights and obligations. It also means an international status and authority which at the moment is vested in Britain. And it also means external defence, Mr Speaker. It also means external trade, communication, movement and economic development, Mr Speaker, and it also means extraterritorial rights and jurisdiction and of course fundamentally as well, the symbolic expression of the flag.

HON CHIEF MINISTER:

If the Hon Member will give way. At least say that these are not exclusive because it covers everything and if you include a few and you leave out some, somebody will pick out and say you did not mention this or the other. And any other that may not have been mentioned because in fact it includes everything.

HON M A FEETHAM:

Mr Speaker, I am saying this because it is necessary in the light of the motion in front of us that when sovereignty is being discussed, in the ensuing process that is now surely to take place, Britain and Spain are committed to discussing sovereignty over these issues, Mr Speaker, and the Chief Minister, despite his reservations, has to acknowledge that this will be the case. What I want to do by having said that is not to get into a polemic but just to put on record what the position is as it stands today and that this motion is taken against that background and nothing else. We know what the Spanish case is because we are being told nearly every day. The Spaniards are saying that Gibraltar forms part of the territory of Spain, occupied by the United Kingdom. That both the Treaty of Utrecht and the relevant United Nations resolutions by Spain and the United Kingdom through bilateral negotiations are the only way to decolonise and return Gibraltar to Spain and that the existence of a local population with individual characteristics obliges Spain not only to respect their interests but also as a consequence of this, bear in mind their opinion with regard to the formal and practical process of returning Gibraltar to Spain which does not mean, in their view, Mr Speaker, in any case that the population of Gibraltar should be given the right to self-determination. That is the Spanish case as far as Gibraltar is concerned. Today, in Europe, it is difficult to find any serious territorial dispute between states except for Spain's claim over Gibraltar. Britain's position as it stands today is that it stands behind the preamble of our Constitution. International thinking on the matter as reflected in the United Nations is, according to the United Nations Resolution 1514 of 1960, that there are three things for the decolonisation of Gibraltar. The first one via a freely expressed will for integration; the second through self-determination and independence; and the third by the re-establishing of territorial integrity as is a principle of the United Nations Charter. Our argument, Mr Speaker, is that the responsibility for the make-up of the issue of sovereignty should continue to be under the British Crown and that sovereignty is a single one, that of the whole territory and its people, as a single indivisible and inseparable unit. That is the position as it stands today. That is why it was important, Mr Speaker, that against that background, that this motion in the light of the declaration of Brussels should be brought to this House so that everybody understands in that context what the wishes of the people of Gibraltar are, Mr Speaker.

HON G MASCARENHAS:

Mr Speaker, it is good to hear contributors from the other side echo what we on this side feel and it is good to hear the Hon Leader of the Opposition say that the gap is much less on this than on other things. There is no doubt that the first part and the second part of the motion are issues which are very close to all our hearts. Whatever political beliefs we have as a group or as individuals there is no doubt that on

this thing we are united and Gibraltar has always shown a united front on these issues. On the third part of the motion the sentiments are precise and I am glad that the Opposition have agreed to the amendment which as the Chief Minister said earlier, is a matter of form and not of substance. The spirit which has emanated from this motion and which will go out to the people of Gibraltar can only serve to show the people of Gibraltar that on the basic issues we are all united. I think it is very important that for presentational purposes the people of Gibraltar should be aware of this.

HON J E PILCHER:

Mr Speaker, I would just like to make a brief point but before I do so I would like to follow up what the Hon Major Dellipiani said a moment ago, our party does not differentiate between land as opposed to soil. I think what this side of the House would like to see is that strong position which the Hon Major Dellipiani was talking about, to be brought to the House so that this side of the House can support that strong position on land. As regards the motion now in front of us, I think the Hon Leader of the Opposition mentioned the television programme on Spanish television "Si yo fuera Presidente" which I didn't particularly like but one thing that did come across very well was the sentiments of the Gibraltarian identity which the people feel in Gibraltar. The Hon and Learned Chief Minister said that he did not understand the reasons for restating the obvious in this motion. Well, I could have said the same thing of the motion that he brought to this House yesterday.

HON CHIEF MINISTER:

I said it bears repetition.

HON J E PILCHER:

As the Hon and Learned Chief Minister is aware, we voted in favour of paragraphs (1), (2) and (3) specifically because the Hon Mr Canepa said that in this time of great moment in Gibraltar's history we should all be together in supporting things like that. We accepted that and, in fact, we voted in favour and I think if I may just for a moment continue my arguments yesterday on reservation, on the word reservation, I think this is the point I am trying to make, the definition of the word "reservation". I pondered that yesterday and I came up with a couple of definitions on the word reservation. I think another definition is 'with a proviso'. The Gibraltar Government accepted the Brussels Agreement with reservation and I think if we take reservation to mean 'with a proviso', I think this motion in front of us now can be the proviso under which the Gibraltar Government accepted the question of sovereignty because it states clearly and categorically and we accept that the Chief Minister has changed that and has now amended the motion, but it states clearly and categorically both this and the next motion that we are

going to bring before the House, the position of the whole of Gibraltar as expressed in this House of Assembly, in the point; "declares the soil of Gibraltar belongs to the people of Gibraltar and declares that the whole of the territory is a single and indivisible unit". Thank you, Mr Speaker.

MR SPEAKER:

I will then call on the Mover to reply if he so wishes.

HON J BOSSANO:

Not really, Mr Speaker. I just want to express the appreciation of our side of the House for the fact that it is possible to reach unanimity on this point.

Mr Speaker then put the question which was resolved in the affirmative and the Hon J Bossano's motion, as amended, was accordingly passed.

The following Hon Members were absent from the Chamber:

The Hon R Mor  
The Hon E Thistlethwaite  
The Hon B Traynor

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House is confident that it can continue to look to the British Parliament, the British Press and the British people to support fully the right of self-determination of the people of Gibraltar, in spite of the fact that some prominent Members of Parliament in recently welcoming the Brussels Agreement, went on to imply that sovereignty was negotiable. It therefore declares that notwithstanding the commitment to include discussions on sovereignty in the negotiating process due under the Brussels Agreement, the House still stands by the 1977 Resolution that sovereignty is not a matter for discussion with Spain and looks to Her Majesty's Government to act in consonance with it". Mr Speaker, the motion is not in different parts because it hangs logically together but, in fact, part of it is to some extent an overlap of some of the sentiments expressed in the motion moved yesterday by the Hon and Learned Chief Minister in the first and second parts. We prefer to think of the support from Britain and we include all segments of British society as a support for the right of self-determination for the people of Gibraltar because we have found that even in those quarters where there is least understanding and by implication least sympathy for our position, and that tends to be the case with the more radical wing of the British Labour Party who see Gibraltar as a colony and who see the process of decolonisation as requiring all colonies to be got rid of and who think they are doing colonies a favour by getting rid of them regardless who they

get rid of them to. Even there, the right of self-determination is not and cannot be challenged. We have found that in putting a case and in arguing Gibraltar's case, as we frequently do when we attend the annual conference of the British Labour Party, even those people who say: "You shouldn't be a colony because colonies are now out-of-date", cannot deny that we should decide if we are not going to be a colony, what we should be, and who we should be with. I think it is important that the support should be linked to the right of self-determination of the people of Gibraltar. I also think that some of the statements in the House of Commons were quite worrying in what they went on to suggest and I think we have to recognise that there has been a perceptible shift in opinion in some quarters post the Hong Kong solution and post the Falklands situation because it is one thing to rush off to the defence of the Falklands in a moment of patriotism and euphoria and out of a sense of injured national pride and out of a sense of obligation of commitment to defend a small community against an aggressor where the Government was not only an aggressor against the Falklands people, but an aggressor against thousands of innocent Argentinians who have disappeared and nobody knew their whereabouts, and another thing to count the bill a year later. I am afraid that there are clearly today in UK a lot of people who are saying to themselves: "Well, this is fine, we have got to stand by the people of the Falklands and so on and so forth but at the rate we are going, we could all make them millionaires and get them to emigrate from the Falklands and we would save money on the process. If we actually dished out £1m per family, I mean, we are talking about 800 families". The reality of the situation is that people can subscribe to ideals and then economic factors and international pressures start operating counter to those ideals and, therefore, we have to say that in spite of the fact that there may appear to be some kind of shift, our position is that we believe that we can still depend on the overwhelming majority of Parliament, people and press to stand by us when we are exercising our right of self-determination for the very same reason that the Hon Minister for Economic Development appealed to us to support the first three parts of the Government's motion which as I explained to you, Mr speaker, it had been our intention to vote against because we felt that our position was sufficiently clearly stated in this motion not to require us to do anything different on the other one. But for the same reason that he appealed to us so that we did not appear to be saying the converse, we did not appear to be saying we had lost confidence in everybody in UK, we think that it is necessary to say we recognise that the situation is certainly not as solid now as it was on other occasions in the past. That is a fact of life and we have to live with that fact of life and, clearly, the days of gunboat diplomacy and the British Raj have disappeared and therefore in the British Parliament today we find that we have longstanding friends but there are newcomers to the British Parliament that we need to bring out here. I agree entirely with what the Hon Mr Canepa said yesterday. The most effective way that I know of making people understand what makes Gibraltar tick is to make them

come here and see us and spend a couple of days with us. No amount of letter writing, no amount of argument and no amount of debate outside Gibraltar, OK they will listen politely to you and they will make the nice sympathetic noises that they think that you expect them to make until you are out of the door and then they completely forget about you, but when they come here, it is visible because when we say goodbye to them we have seen the change that has taken place in two or three days. They cannot get away from the fact, I suppose because Gibraltar is more claustrophobic and more intimate and more enclosed than anywhere else and because I suppose they get bombarded by the same message everywhere that they go, every meeting that they have, every meal that they eat, that by the end of it if they are not brainwashed then no brainwashing technique works if that does not work. I certainly agree that although in the context of the amount of money that the Government has available, with our size of economy, and in the context of the calls that are made on that money, it may appear to us to be relatively speaking an expensive exercise but I think it is the soundest investment that we can make in ensuring that we have got friends on whom we can call if and when we need them and we hope we never need them but it is better, I think, as an insurance policy, to be able to have people on whom we can call because they know us, because they have come here and because they have gained a friendship and a love for the place which we have infected them with, than that by omission we may find ourselves in need of that kind of help and find that it is not there because we have taken it for granted because the people that were there before have gradually retired or left and because the new ones knew nothing about us and they just see us as a spot on the map which is at the end of the Iberian Peninsula and they say: "What the hell are we doing out there, it has nothing to do with us. Britain has not got an empire any more, that is clearly a place that is 2000 miles away from us. Where do our interests come into it in 1985 or 1986?" That is something that we have got to be cognisant of and we have got to be able to admit to ourselves and to our people in Gibraltar that recognising that trend and recognising that there is a requirement on our part to work to counteract it, does not mean that we stop believing in Britain or that we are now anti-British or anything else. It just simply means that we live in a changing world and survival requires adaptability on our part and it is against that background and on the basis of those arguments that I commend my motion to the House.

Mr Speaker then proposed the question in the terms of the motion moved by the Hon J Bossano.

HON CHIEF MINISTER:

Mr Speaker, again we have no problem in supporting this motion. I have two cosmetic changes that I would suggest and I am sure that both of them may have been more by inadvertance than deliberate. Of course, we agree that we are confident and of course we agree with the factors mentioned by the Hon Member.

One of them is out of ignorance. I think the Hong Kong one is out of ignorance to the extent that it looks reasonable and so on, you know, one less problem. The other one is a matter of money, I think. On the question of the Falklands a lot of people are worried whether they can meet the costs, it is very expensive. It is being justified now that it will be less expensive by the new airport and so on but it has made people even the SDP, I am sorry to say, there have been voices of convenience. I would like to think that what the Hon Member said is even deeper to some extent to say that Gibraltar is different even though they might want to tie it up in their minds but I agree that the best thing to do is to try and get people here from the United Kingdom, particularly new Members. I would like to say that the last CPA delegation which I thought was a delightful delegation, should have come much earlier but was postponed by reason of our own election. We had it on the cards for them to come earlier. That refers to CPA delegations proper, according to their own roster and their own commitments. We have to do the same on our own and we have prepared for that. We prepared ourselves the visit of the MEP's which is also helpful and those two who didn't come have written to say that they are coming on their own. One of them, Mrs Jackson, is coming with her husband who is an MP, so we are getting two for the price of one. I think that is very important. There have always been people who have fought for the other side. I have been occasionally warned in the early years that we cannot assume everybody is our friend but we do have a lot of friends. I think we have got to encourage them and I entirely agree that the best way to do it, apart from seeing them when one is in England, is to try and get as many of them as possible to come out. Coming back to the motion. Of course, having fought through the Constitutional Conference of 1969 and having fought through every word of that preamble, we are proud of the preamble but that preamble was ironed out from many texts until it came to what it is today and which is now enshrined in the Constitution which is helpful. The Hon Mr Feetham, I think, mentioned in connection with the previous motion, Resolution 1514. The point is that those are resolutions of the General Assembly, but the Charter of the United Nations makes the interests of the local population paramount, the right of self-determination is paramount. We argued this ad nauseam, even 1514 which was done for the purposes of the Congo and disintegration. I think what is wrong, coming back to the contribution of the Hon Mr Feetham on the other motion, where I think the Spaniards go wrong from the start is that they start assuming that something that isn't theirs belongs to them and therefore they start with a grievance. That is a historical process that has continued. They may claim that there is something to be argued about the isthmus, they may claim that the same as they may claim the sovereignty over the whole of Gibraltar, but with regard to the title of Gibraltar there is no doubt, Gibraltar does not belong to the Spaniards, it belongs to the Crown of Great Britain. I would go further, than even independence, if it were possible, so long as the Queen was the Queen of Gibraltar, does not affect the Treaty

of Utrecht. I am very glad to hear the Members opposite tapping on the table, I have been saying that for 25 years. Really, no, because the problem only started in 1963. In fact, there is a provision, and I am speaking without any papers, there is a provision in the Charter that where the Charter is in conflict with any Treaty, the Charter prevails and the people who signed the Charter knew what they were signing. That is why I appeal and I take every opportunity given to me, I have not done so recently because I do not want to annoy them too much, but I take every opportunity of telling the Spanish media that they start from a wrong concept. They start from an unjustified grievance because it is not justified in law. It may be neatly put in, but that neatness cannot substitute rights. The only two points that I want to make is that I am sure that particularly because it complies with the second part of the motion which was approved yesterday and that is that we should look not only to the British Parliament, the British press and the British people, we should look to the British Government. In fact, we have been attempting to tell them what to tell Señor Moran and, therefore, I am going to suggest the addition of the words "the British Government the" between the words "to" and "British Parliament". That is my first amendment. I think that might have been an unintended omission. Certainly, it is inconsistent with saying what we should tell the British Government. We look to them, we must look to them, because they are primarily responsible and we come back to the question of the fact that the Government have got the executive power and therefore we must make them responsible. In the first line it should read: "This House is confident that it can continue to look to the British Government, the British Parliament and the British people". And the other one is, because of the way in which the matter was argued yesterday, in case there should be any suggestion that there is any change in precisely the thing that Hon Members opposite do not like, I should like to suggest that the word in the fourth line from below, where it says: "in the negotiating process due under the Brussels Agreement", I would like to add, before you get to "the Brussels Agreement", "the Lisbon Agreement and", lest they might interpret it wrongly, the negotiations envisaged under the Brussels Agreement does mention the fact that the negotiations will come under the auspices of the Lisbon Agreement. I think it can do no harm to put that because the words are put there for the sake of clarity and safety. Those are the only two amendments and I move them just because it completes the things and I hope the Hon Mover will accept them in the spirit in which they are made. Other than that, of course, we support the motion and it also fits into my second paragraph of yesterday's motion.

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

HON J C PEREZ:

Mr Speaker, we welcome the support of the Government on the general motion and can accept the amendments because they are additions rather than changes to the motion. Our position is quite clear as regards negotiations on sovereignty. The Government have put in a reservation which we do not think is enough and we reject the discussions on sovereignty completely but we were against the Lisbon Agreement for that reason and we are against the Brussels Agreement partly because it specifically mentions it whereas in the Lisbon Agreement it implies it, so the addition that the Hon and Learned Chief Minister has made to include the Lisbon Agreement does not in fact change the sentiments of the motion. We can say from this side of the House that we are in a position to accept the amendment.

HON J BOSSANO:

Could I make just one more point, Mr Speaker. Shouldn't the amendment be to insert "the British Government" after the word "to".

HON CHIEF MINISTER:

Look to the British Government.

HON J BOSSANO:

Yes, but if we insert it after the word "look", then we have "continue to look to the British Government, the British Parliament .."

MR SPEAKER:

I did not look at the written amendment which the Hon Chief Minister gave me. The way I proposed the amendment was as follows: The addition of the words "British Government the" between the words "the" and "British". It then reads: "This House is confident that it can continue to look to the British Government, the British Parliament and the British press".

Mr Speaker then put the question which was resolved in the affirmative and the Hon the Chief Minister's amendment was accordingly passed.

The following Hon Members were absent from the Chamber:

The Hon R Mor  
The Hon E Thistlethwaite  
The Hon B Traynor

Mr Speaker then put the question in the terms of the Hon J Bossano's motion, as amended, which was resolved in the affirmative and the motion was accordingly passed.

The following Hon Members were absent from the Chamber:

The Hon R Mor  
The Hon E Thistlethwaite  
The Hon B Traynor

HON CHIEF MINISTER:

Mr Speaker, as I can anticipate that there will be no meeting before Christmas, I move the adjournment and with it I wish you and all Members a very happy festive season. We will be back in business early in 1985, I hope with the same spirit of mutual understanding, even if there are differences, that our aims are almost the same, ultimately, for everyone in Gibraltar.

HON J BOSSANO:

When we tabled our 55 questions and we had the motion welcoming the Brussels Agreement, we were predicting that the meeting of the House would finish in a less Christmassy mood but given the two resolutions that we have just passed, I join the Hon and Learned Chief Minister in his words.

MR SPEAKER:

May I then join myself to the wishes of both the Chief Minister and the Leader of the Opposition and extend our good wishes not only to Members but also to the staff of the House of Assembly and members of the media.

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

The adjournment of the House sine die was taken at 11.50 am on Thursday the 13th December, 1984.