

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

26TH JUNE, 1984

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Third Meeting of the First Session of the Fifth House of Assembly held in the House of Assembly Chamber on Tuesday 26th June, 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 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 Thistlethwaite - 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 Balgachino
The Hon R Mor

ABSENT:

The Hon Major F J Dellipiani ED - Minister for Public Works
(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 13th March, 1984, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

The Hon the Minister for Economic Development and Trade laid on the table the following documents:

- (1) The Pilots (Amendment) Rules, 1984.
- (2) The Pilots (Amendment) (No 2) Rules, 1984.

Ordered to lie.

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

- (1) The Group Practice Medical Scheme (Amendment) Regulations, 1984.
- (2) The Group Practice Medical Scheme (Amendment) (No 2) Regulations, 1984.
- (3) The Traffic (Registration and Licensing of Civilian Vehicles) (Amendment) Regulations, 1984.

Ordered to lie.

The Hon the Minister for Health and Housing (in the absence of the Hon the Minister for Public Works) laid on the table the following document:

The Building Regulations, 1984.

Ordered to lie.

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

The Accounts of the John Mackintosh Homes for the year ended 31st December, 1982.

Ordered to lie.

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

- (1) The Prison (Amendment) Regulations, 1984.
- (2) The International Trunk Calls Charges (Amendment) (No 3) Regulations, 1984.

Ordered to lie.

The Hon the Minister for Education, Sport and Postal Services laid on the table the following documents:

- (1) The Accounts of the John Mackintosh Hall for the year ended 31st March, 1984.
- (2) The Local Post (Amendment) Regulations, 1984.
- (3) The British Commonwealth and Foreign Parcel Post (Amendment) Regulations, 1984.
- (4) The British Commonwealth and Foreign Post (Amendment) Regulations, 1984.

Ordered to lie.

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

The Gibraltar Court of Appeal (Amendment) Rules, 1984.

Ordered to lie.

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

- (1) Supplementary Estimates Improvement and Development Fund (No 1 of 1984/85).
- (2) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 7 of 1983/84).
- (3) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 8 of 1983/84).
- (4) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 1 of 1984/85).

Ordered to lie.

ANSWERS TO QUESTIONS

The House recessed at 1.10 pm.

The House resumed at 3.25 pm.

Answers to Questions continued.

THE ORDER OF THE DAY

MR SPEAKER:

The Hon and Learned the Chief Minister and the Hon the Minister for Labour and Social Security have given notice that they wish to make statements. I will now call on the Hon and Learned the Chief Minister.

HON CHIEF MINISTER:

Mr Speaker, I wish to inform the House that the Government has now completed its consideration of the main recommendations in the Report on the Tourist Industry by the Administrative Secretary, Mr Joe Pitaluga.

The first nine policy recommendations have been accepted and steps are now being taken to give effect to these. The tenth recommendation, which was that, subject to certain conditions, the Government should be prepared to provide financial assistance for the improvement of the tourist plant in the private sector, is still under consideration.

As the House is aware, the Committees recommended in the Report have now been appointed. I should like to take this first opportunity in the House to thank all those public bodies who have agreed to nominate representatives to these Committees and all those individuals who have accepted appointment. It is the Government's view that the expansion of tourism depends not only on the Government's own efforts and on the efforts of the industry itself but also on the support and cooperation of the community as a whole. This view will be made known in more detail when, as recommended in the Report, an internal Public Relations campaign on the importance of tourism and on the ways in which the public can cooperate is launched, probably in September.

In the meantime, the appointment of these Committees is a concrete expression of the Government's wish to involve as many people in an active role. The Committees will act as a channel for the ideas and efforts of those with specialised knowledge who can make a very useful contribution. They will make it possible for full consultation to take place and for priorities to be established in each area. The Consultative Board, which is now in the process of being appointed, will then coordinate the proposals from the Committees and submit recommendations to the Minister.

On the important question of finance, the Government has decided to commit an initial sum of £300,000 from local funds in pursuance of its policy on the expansion of tourism. The money will be found from savings in the Improvement and Development Fund. The Government has also decided to seek the British Government's approval to the use of a similar sum, for the same purpose, out of the residue of funds still uncommitted under the current Development Programme.

The main purposes for which the local funds are to be used are an increase of £121,000 and £13,500 for advertising and public relations respectively, as well as £32,000 for two issues of a tabloid newspaper on tourism; a sum of £116,500 for the removal of Government-owned eyesores and for the painting of Government-owned buildings; £20,000 for the sand-blasting of Government-owned stone-faced buildings; £15,000 for the internal Public Relations and cleaning-up Gibraltar campaigns; £3,000 for the expenses at the Gibraltar end of a two-part Conference on the Gibraltar Heritage, the other part to be held in London; £5,000 for short training attachments in UK of Tourist Office staff; £2,500 for a visit by a Conference Centre specialist to advise whether Gibraltar can viably be developed as a Centre; £2,000 for additional litter bins; and £1,500 for additional monitoring of visitors.

With regard to the sums which we hope will become available from the uncommitted residue of development aid, the Tourism Committees will be invited to advise, through the Tourism Consultative Board, as to which projects should in their view be given priority. The Government is also considering what further sums might be available for allocation to tourism and again the advice of the Committees will be sought through the Board, as to priority projects. The Committees are, of course, in any event free to put forward whatever suggestions they may wish to make and, once these have been coordinated by the Board, the Government will be in a position to assess the overall cost of implementing its policy in the short and long term and to consider to what extent it can itself make funds available and what approach it should make to the British Government for assistance.

In the meantime the Government wishes to demonstrate, by making an immediate allocation of £300,000 for urgent and essential purposes, its commitment to the effective expansion of the tourist industry. The Government hopes, and believes, that the private sector will follow this lead and that it will do what it can to improve the present situation. We are confident that, working closely together, and with the support of the community as a whole, we will succeed.

It is also our hope that the Opposition in this House will give their support. We shall certainly be ready to consider carefully any constructive suggestions they might wish to put forward. Thank you, Mr Speaker.

HON J BOSSANO:

We are only supposed to ask on matters of clarification, if I am correct.

MR SPEAKER:

Well, no, to the extent that there have been one or two questions which I think were down for answer, you can ask questions on specifics, most certainly.

HON J E PILCHER:

Mr Speaker, I have heard the Hon and Learned Chief Minister and I have not had time to digest the statement but I am correct in assuming that the Government will immediately pass on £300,000 from the I&D Fund. It will also try and get the ODA to approve £300,000 of what is left over from the 1981/86 programme and they are also trying to get the Committees which it has appointed to raise up more ideas in order to submit to ODA further projects for some more money from ODA for tourism.

HON CHIEF MINISTER:

That is right.

MR SPEAKER:

If there are no other questions I will then ask the Hon the Minister for Labour and Social Security to make his statement.

HON DR R G VALARINO:

Sir, I have given notice of two statements to you. I shall make the first one on Youth Training Schemes.

Over the past few months my Department has been looking at ways of alleviating the present unemployment situation, particularly amongst the youth. Several meetings have been held with the Department of Education to consider the possibilities of introducing Youth Training Schemes in Gibraltar on the lines already in existence in the United Kingdom.

I am pleased to inform the House that the Government has now approved the introduction of two new programmes and the continuation of the Youth Training Scheme which commenced in October last year.

EMPLOYER-BASED PROGRAMME 'A'

This programme is designed to encourage employers to take on more young people (aged 15 to 25 years) at subsidised wage rates. Only employers who can satisfy any of the following conditions will be eligible to participate in this scheme, viz:

- (i) that a trainee is engaged to replace an old age pensioner (ie a male over 65 or a female over 60); or
- (ii) is engaged to replace a "non-resident" of Gibraltar within a period of 12 months; or
- (iii) is engaged to fill a new post.

Under this scheme employers who qualify under (i) to (iii) above will be entitled to claim from Government, for a period of 6 months, a weekly allowance of £15 in respect of each trainee in their employment. In the case of secretarial grades or others who require a higher degree of training, an allowance of £20 per week will be payable.

It is a further condition that employers shall have to guarantee employment for at least 12 months and may also be required to release trainees for one or two half days to attend the College of Further Education; if an employer dismisses a trainee during the first 6 months of guaranteed employment, he shall have to reimburse Government with whatever sum of money has already been paid to him by way of allowances. A penalty shall also be imposed on employers should they discharge a trainee after the first 6 months but before the expiration of the period of guaranteed employment. In order to make this scheme more appealing to employers, trainees will be exempted from the payment of social insurance contributions during the first 6 months of guaranteed employment. They shall, however, be liable to pay Group Practice Medical Scheme and Employment Injuries Insurance contributions (ie 53p per week the trainee and 53p per week the employer).

Prospective employers and trainees who want to take part in this scheme shall have to enter into a written contract of employment which will have to be produced for approval by the Director of Labour and Social Security. It is proposed that in considering applications from employers for participation in this scheme, priority should be given to areas of employment connected with the Tourist Trade such as Hotels, catering establishments, etc.

CONSTRUCTION TRAINING PROGRAMME 'B'

This programme will provide training for young unemployed people between 19 and 25 years who wish to learn a trade provided that they have passed the official apprentice entry examination. Emphasis will be placed on the training of painters and masons.

Accelerated courses of 44 weeks duration will be held at the Construction Training Centre, and on completion, trainees will be trade tested to Craftsman 'B' standard. After 4 full years employment as a Craftsman in the trade they may then apply for upgrading to Craftsman 'A' status. Trainees may also be required to attend the College of Further Education for academic theoretical training.

Under this scheme an allowance of £20 per week will be paid to each trainee.

CONSTRUCTION TRAINING PROGRAMME 'C'

As I mentioned before this programme is a continuation of the one introduced in October last year. It is designed to give school leavers (under 19 years of age) a range of practical

skills in the Construction Industry to enable them to compete more effectively in the labour market. The practical training courses will be held at the Construction Training Centre and trainees might also be required to attend the College of Further Education.

Trainees will receive a weekly allowance of £15 and also, for the purpose of Family Allowances, will be deemed to be still attending school.

It is hoped that Programme 'A' will eventually create employment for Gibraltarians in such areas as the Tourist Trade, Retail Distributive Trade and the Baking Industry. The success of Programmes 'B' and 'C' is of paramount importance as this will, in the long term, enable us to replace systematically most of the foreign labour employed in the Construction Industry and thus make Gibraltar more self-sufficient.

It is the intention to commence with Programme 'A' as soon as possible. Programmes 'B' and 'C' are due to start in September, 1984.

HON J E PILCHER:

I take it all private employers will be eligible for this including the Gibraltar Shiprepair Limited?

HON DR R G VALARINO:

Mr Speaker, Sir, if I am not wrong they are providing their own training programmes which they have already advertised.

HON J E PILCHER:

Mr Speaker, I take what the Hon Member is saying but would they be eligible under the Scheme?

HON DR R G VALARINO:

Mr Speaker, Sir, I do not honestly see why not but as I mentioned before in my statement: "Priority should be given to areas of employment connected with the Tourist Trade such as hotels, catering establishments, etc". I do not think the Shiprepair yard comes under that heading.

HON J E PILCHER:

Is the Minister then saying that it is limited? It is one thing to say that priority will be given and another thing is to say that it is exclusive to people in the tourist and catering industries, he has not said that. Is he saying now that somebody who is not in the catering or tourist industry is debarred from applying?

HON DR R G VALARINO:

Mr Speaker, Sir, there is no limitation, just priority should be given.

HON J E PILCHER:

Is there any limit on the numbers that the Government is prepared to finance?

HON DR R G VALARINO:

Yes, Sir, Programme 'A' we have a maximum of twenty persons; Programme 'B' a maximum of ten persons, and Programme 'C' a maximum of thirty trainees, making sixty persons in all.

HON J BOSSANO:

Well, Mr Speaker, that is nonsense with all due respect to the Hon Member. How does he explain to the twenty-first person that the Government is not prepared to help finance his employment? How can he say that this is following the UK practice when the UK practice is a national scheme without any limits?

HON DR R G VALARINO:

Mr Speaker, Sir, this is the start of a new scheme and it is the basis of the new scheme. To take an example, he has mentioned the twenty-first person. We may not be able to get twenty persons for Programme 'A' in which case, obviously, if we get more people for Programme 'B' more people will take Programme 'B' but the whole total that the Government can provide at the moment is sixty people out of its funds. It is the basis, it is the start and we have to make a start somewhere to be able to provide Gibraltar with the labour it needs. I am not trying to suggest that this will be the total answer but it will be a beginning from where we can develop.

HON J BOSSANO:

Mr Speaker, the Hon Member does not seem to understand what the scheme is. We are not saying that he is not making a start, what we are saying to him is, if the argument is that twenty people are going to be eligible to apply for an employer-based programme, what is it, first past the post, the first twenty people to apply? What is the criteria? We want clarification. If we had not asked we would not have known that it was limited to twenty, certainly the impression given by the statement is that there is no limit. I am sure the Hon Member will agree that one could understand that there might be a limit in the physical capacity of the Construction Training Centre, of course, if you can only take in ten

trainees you can only take in ten trainees but if scheme 'A' is limited to twenty persons in the tourist industry that means, for example, if one hotel comes in first and puts in a bid for twenty, that's it, that is the rest of the private sector out.

MR SPEAKER:

One must not try and justify the viability of the scheme. One is asking questions for clarification and you have been given the information you require.

HON J BOSSANO:

No, I am asking to have clarified for me whether I am right in assuming that what the Minister has told the House is that the way the employer-based programme will operate is that if one employer comes along with a proposal to take in twenty trainees and there are only twenty vacancies if he gets told, yes, that's it, nobody else can apply. Am I right in deducing that?

HON DR R G VALARINO:

Of course not, Mr Speaker, Sir. It is obvious to anybody with any logical sense that if somebody turns up with twenty employees he will be told no, because we are not just going to take twenty employees from just one particular person. We will try to distribute this throughout Gibraltar as much as we can but this is the beginning of a programme and this is what I feel that the Opposition should realise that this is the start of a Youth Training Scheme.

HON J E PILCHER:

Mr Speaker, for clarification, do I take it then that what the Hon Member is saying is that it is only the start and that they foresee that during the course of the year this will be upgraded to more or whether they are working under financial limitations and can only afford thirty this year?

HON DR R G VALARINO:

Mr Speaker, Sir, first of all, there are obviously financial limitations this year and, in fact, if I remember rightly when these schemes were introduced in the UK, there were also financial limitations in the United Kingdom.

HON J BOSSANO:

If the Hon Member will give way. In the United Kingdom they found there was a lot of money not taken up because there were insufficient applicants for the schemes.

HON DR R G VALARINO:

But that does not alter the fact that there were financial limitations. The fact is that there were financial limitations and the same happens here. There is money in Head 11, Subhead c.

HON M A FEETHAM:

Mr Speaker, can I just ask one question? Is there a machinery that will look at applications particularly those from employers as regards taking up young people so that a decision is based on a fair criteria? Will it be the Senior Labour Officer or will it be the Manpower Planning Committee who is going to make the decision?

HON DR R G VALARINO:

Mr Speaker, Sir, in fact, I did say in my statement that "prospective employers and trainees who want to take part in these schemes shall have to enter into a written contract of employment that will have to be produced for approval to the Director of Labour and Social Security". It will be the Director of Labour and Social Security.

MR SPEAKER:

Will you now proceed with your second statement.

HON DR R G VALARINO:

Sir, at the meeting of the House held on 13 March, 1984, my predecessor said in reply to a question from the Hon Mr R Mor that the Government expected to be in a position to make a statement on the proposal to waive social insurance contributions for unemployed persons over 60 years of age at the next meeting of the House.

The Government have now agreed that the granting of Social Insurance contribution credits after 60 should be subject to a means test based on the following conditions:

- (a) that the insured person is ordinarily resident in Gibraltar;
- (b) that he is 60 years or over but under 65 years of age;
- (c) that he is not entitled to any other type of credit under the SIO;
- (d) the weekly income of the insured person, together with the weekly income of his wife, if applicable, does not exceed the maximum amount of old age pension payable for that week to an insured person (£38.30), together with the maximum amount of old age pension payable for that week for his wife (£19.30), if applicable;

- (e) that he satisfied certain contribution conditions that would show that the insured person was paying contributions on the date he attained 60 years and the five preceding contribution years immediately before attaining 60 years;
- (f) that no one should become entitled to an old age pension on account of these credits. The insured person should have enough contributions prior to applying to have qualified for a reduced old age pension; and
- (g) that the onus for providing the level of income is placed on the applicant.

After giving the matter very careful consideration the Government is of the view that the grant of such credits across the board would not be equitable for the following reasons:

- (a) the majority of persons who retire at 60, mainly from the public sector, receive substantial gratuities and service pensions and can well afford to continue paying their contributions. In any event, a fully paid up contributor who ceased paying contributions at 60 would only suffer a loss of £8.60 per week, ie from £57.80 to £49.20 at current rates, when his old age pension eventually become due at 65;
- (b) while the loss of contribution revenue could not be assessed because this would depend on the number of persons who retired at 60, the result could be such as to require an increase in contributions to a diminishing labour force. It is considered inequitable that the remaining contributors should subsidise a benefit to many who have no real need for it.

Action is now in hand to draft the necessary amendment to the Social Insurance (Contributions) Regulations to give effect to this decision and in the meantime administrative arrangements will be made to implement the measure forthwith.

This measure will have retrospective effect to the first contribution week in 1984.

HON J BOSSANO:

Mr Speaker, we do not want to stand up and make a speech for the sake of having a chance to read it and hold up the House. My recollection of the past is that in order to give other Members time to read it somebody has stood up on this side and waffled and we do not want to do that.

MR SPEAKER:

With respect, the manner in which we have dealt for many years with statements is that the Leader of the Opposition has always stood up and made a short contribution on the merits of the statement and nothing else. Other Members most certainly can ask questions for clarification purposes.

HON J BOSSANO:

My understanding of Standing Orders is that what we are supposed to do is to ask questions on clarification, not to make a policy statement ourselves. What I would like is to have the time to read it so that we can ask questions.

MR SPEAKER:

You are completely and utterly right. The Standing Orders and the rules of practice are such that it only allows Members to ask questions on clarification. I have extended that rule to allow the Leader of the Opposition to make a little introductory reply to the statement if he wanted to in order to enable other Members to gather their thoughts and ask questions on clarification.

HON J BOSSANO:

What I am saying is, Mr Speaker, that it is a relatively easy thing to do, that is, to stand up and make some sort of statement simply which is a delaying tactic to allow other people to read it. I suggest that we be given a few minutes to read this because I do not want to make a statement just for the sake of making a statement but I feel that simply listening to the statement being read by the Minister and quoting figures, it is very difficult really to digest the implications of it without having had a chance to read it.

MR SPEAKER:

Fair enough. I think some Members have now had more than enough time to do that but if you wish to have one or two more minutes there is no reason why you should not have them.

HON J C PEREZ:

Will the Hon Member perhaps allow, for example, couples whose income might be reduced below £57.80 because of the contribution to the pension scheme, to be able to apply for it? That is to say, you are saying that if they earn more or their income exceeds £57.80 the person concerned will not be able to apply for this facility. What I am saying is that if after paying his social insurance stamps his income is reduced below the £57.80 because of the payment of the insurance stamps, would that person be able to apply for this facility or not?

HON DR R G VALARINO:

Mr Speaker, Sir, that is a very good question from the Hon Mr Perez and I see his point but we may get other people just like you have mentioned who may say: "We are paying a marginal amount of tax and therefore we fall below this certain amount". Therefore, I think that the figures quoted will have to remain and we shall have to stick to the figures quoted because we have to have a definite figure.

HON J C PEREZ:

What I am actually asking the Minister is that he should perhaps consider that the income per couple should be that which is earned after paying insurance in respect of the pension.

HON DR R G VALARINO:

Mr Speaker, I will certainly consider it, I will see how the scheme develops and depending on how the scheme develops I will be able to report back to the Hon Member.

HON J L BALDACHINO:

Mr Speaker, can the Minister clarify one point? Who is "ordinarily resident" in Gibraltar, what does that mean?

MR SPEAKER:

"Ordinarily resident" for different Ordinances mean different things so it may have to be defined.

HON DR R G VALARINO:

Yes, Sir, there is a definition in the Social Insurance Ordinance for "ordinarily resident".

HON R MOR:

Mr Speaker, paragraph (e), what would happen in the situation where someone is, say, unemployed at the age of 58 and he has not fulfilled having paid during the last five years the contributions?

HON DR R G VALARINO:

I am afraid that because of the peculiar position that some people find themselves in having retired at 60, we have decided that the date should be between 60, which is a crucial time because of their retirement especially in Government, people like you have mentioned who are 58 years old would not come into the scheme until they are 60.

HON R MOR:

Mr Speaker, I think the Hon Member has misunderstood my question. My question is that under paragraph (e) for anyone to qualify for the credits he must have been paying contributions for the last five years. What would happen in a situation where a person is unemployed before 60, at 58?

HON DR R G VALARINO:

I may be wrong in this but if somebody is unemployed at the age of 58 he would get supplementary benefits until the age of 60, if I am not wrong, and then this would apply from the age of 60.

HON R MOR:

Mr Speaker, in that case he would not be paying contributions and then doesn't it affect his old age pension?

HON DR R G VALARINO:

Sir, I think this is a very rare case, it may not happen, but he will either have to pay contributions or lose the fact that he will be able to have credits.

HON J BOSSANO:

Mr Speaker, isn't the scheme the response of the Government to the plight of people who are unable to meet the cost of making voluntary contributions, isn't that what the Government is trying to do? In explaining the rules that they have applied, surely, if one of the conditions is that the person must be paying contributions on the day he attains 60 years and must have been paying for the preceding five years, there could be a lot of people, not hundreds because we are not talking about hundreds anyway, but there could be a number of people who are eliminated by the rule, in fact, when they are the people that we are intending to help.

HON A J CANEPA:

Mr Speaker, I cannot remember the details of the Social Insurance Scheme as I used to three years ago but I think that there is provision in certain instances for people who are unemployed to get credits already but, as I say, I forget what the conditions are. Credits can tide a person over a certain period.

HON J BOSSANO:

No, Mr Speaker, there is a maximum of 26 weeks credit for unemployment under the Social Insurance Ordinance.

HON A J CANEPA:

Well, 26 weeks is 26 weeks, it bridges the gap between the age of 55 and 60 and then we are not talking of two years, we are talking of a year and a half and, perhaps, if the number of cases are small we might be prepared to revise the scheme just as if the number of cases are small we might be prepared to revise the upper limit of 57/80 and say: "Well, we have got a number of marginal cases, let us pitch the thing a little bit higher because the financial implications are not that serious". This is a new thing that we are starting and there is room for flexibility in the light of experience.

HON J C PEREZ:

Mr Speaker, one more point on clarification. On clause (f) where it says: "that no one should become entitled to an old age pension on account of these credits". Could the Minister confirm that if a person will become entitled to it at 62, that after he pays until 62 and he has qualified with all the other clauses at 62, that he will then be given this facility from 62 to 65? For example, if a person needs two years more after 60, and he is unemployed, to qualify, if he pays until 62 and then he has qualified after his qualifications period he is able to apply for this facility?

HON A J CANEPA:

The position is that to become entitled to an old age pension the applicant has to have a minimum of 250 contributions - and I remember that because it used to be 500 and I was responsible for lowering it to 250 - and also he must have an average of 13. What cannot happen is that it will be the accumulation of credits that are going to ensure that an individual becomes entitled to a pension because if the minimum number of contributions is 250 he should have at least 250 paid contributions not 250 credits and an average of 13. In practice, having regard to the fact that the scheme has been in operation now since 1955 for 29 years, 250 contributions if the individual has been resident in Gibraltar, in practice, is not enough, it might only be enough in a case where someone has been living outside Gibraltar, comes to Gibraltar at the age of 50-something, acquires an aggregate total of 250 contributions and then you only divide the total by, let us say, ten years, he has been working for ten and then he has an average of 25. He qualifies for a pension then but those are cases more few and far between. But the spirit behind this is that it should not be the credits which have a deciding factor in the individual acquiring entitlement to the pension scheme, it should be as a result of the minimum 250 contributions.

HON J C PEREZ:

I have understood that completely, Mr Speaker, and the Minister has probably clarified why it is that there will not be many cases as the ones I am referring to. But the point I

was referring to is that if the person is over 60 and he needs, let us say, 25 more contributions to become entitled, when he pays those 25 contributions, once he is entitled through his own contributions to the scheme, he will then, notwithstanding that he might be 52, be able to apply for credits.

HON A J CANEPA:

He should be able to apply for credits and get more credits in order to enhance his total because if he already has 225 contributions, he should not just get 25 credits that take him up to 250, he should continue to get credits until the age of 65 which will enhance his contributions. That already happened for late entrants into the scheme. People who come in late, at an advanced stage having, as I said, first come to Gibraltar or returned to Gibraltar after a period away and joining our scheme for the first time, I think they get 80 credits. That already happens. I think that that would be covered.

HON R MOR:

On a point of clarification. Under paragraph (d) does the figure £57.80 that is the total of the two figures mentioned, is that gross or after tax?

HON DR R G VALARINO:

It is the gross figure because it is the equivalent to the old age pension.

HON R MOR:

But, Mr Speaker, the pension is tax free.

HON A J CANEPA:

It is non-taxable and it would be reviewed every year as the pension is reviewed.

HON J BOSSANO:

Mr Speaker, the question was, is the figure there gross?

HON DR R G VALARINO:

Gross, yes.

HON J BOSSANO:

Well, if the pension is tax free and, for example, the income of the individual is taxable then, clearly, for the individual to have £57.80 net he will have to have £90 gross. Now, which of the two is it?

HON A J CANEPA:

This is gross but I know what the Hon Member is getting at because, no, I will not say it. I know what he is getting at and it could well be that if the implications of this scheme are manageable, what the Hon Member is thinking could be the next stage because we have already given the matter some thought.

MOTIONS

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to move the motion standing in my name in the Order Paper. I would be grateful for your leave to dispense with the need to read this rather lengthy motion which has already been circulated to Hon Members.

MR SPEAKER:

Most certainly, yes. There is a slight correction so that you do not have to amend it later on.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I was just going on to say, Mr Speaker, that it has been brought to my notice that there is a minor error on page 2 of the Notice. The reference is in paragraph 6 of page 4 of the Notice. Subsection 1(e) there are two references in paragraph 6, subsection 1(e) is quoted twice. That should be in both cases subsection 1(d). By way of explanation, Mr Speaker, the fees for naturalisation, registration and other related services were brought into line with the provisions of the British Nationality Act, 1981, and new fees were introduced as from the 1st January, 1983, to coincide with the coming into effect of this new Act. In response to recommendations made in a Home Affairs Committee Report last year, the fees were again changed in the UK with effect from the 1st April, 1984, and dependent territories have been asked to make local provisions for charging equivalent fees. The naturalisation and registration fees for adult applicants have been reduced but the fees for minors have been increased in some cases. The other later change introduced is that a husband and wife who are living together applying for naturalisation at the same time, pay only the same fee as for a single application, namely, £160. There has been a continued rise in administrative costs and this has led to the increase in consular and passport fees proposed. Prior to this, the last increase was in 1978. I now propose to bring the fees into line with certain UK fees and the new fee for a passport will be £15 and a joint passport, including particulars of the spouse, will cost £22.50. There are other passport and kindred services which have hitherto been provided free of charge locally in respect of which a fee is payable in the United Kingdom.

These are, first, collective passports and this service caters for groups of children under 18 travelling together, for example, school parties, Boy Scouts, Girl Guides. This service is in continuous demand, particularly during the summer months, and involves a considerable amount of work. The United Kingdom fee which stood at £11 has now been increased to £30. However, bearing in mind the nature of the service and for whom it is intended but not forgetting the considerable administrative burden, it is considered that a fee of £1 per person, with a minimum fee of £10, would be an appropriate charge locally. Being a passport fee it would, of course, be possible to waive this in hardship cases. Secondly, declarations of identity; these documents are occasionally issued for travel purposes to persons who are either unable to obtain a travel document or who hold one on which a visa cannot be placed because the document is issued by an authority which is not recognised by HMCG and the fee of £4.50 is being introduced. Thirdly, applications for UK passports, with the enactment of the new British Nationality Act, more persons are eligible for UK passports and the demand for this service is considerable. Bearing in mind that at the time the fee of 20p for checking and forwarding applications was introduced the price of a UK passport was 30 shillings, that is, £1.50 in modern money, it is considered that a handling charge of £2, relative to the former 20p, would now be appropriate. As regards visas, under the Licensing and Fees Ordinance, the fee payable for a visa by a national of any particular country is the equivalent of the fees charged by the representative of the Government of that country for their visas on the passport of a British National. Although this one coincided with the United Kingdom practice it does so no longer and, indeed, has not done so for some time. The new fees are in line with the current UK consular fees. These fees have remained unchanged for some years and it is now proposed to update them and it is proposed that the Notice will come into effect, Mr Speaker, subject to my Learned Friend, the Attorney-General's comments, by being gazetted on the 5th July.

MR SPEAKER:

Are there any questions on the motion moved by the Hon the Financial and Development Secretary?

HON J BOSSANO:

I do not think we need to speak on the subject, it seems to be a straightforward matter.

Mr Speaker then put the question in the terms of the motion proposed by the Hon the Financial and Development Secretary which was resolved in the affirmative and the motion was accordingly passed.

BILLS

FIRST AND SECOND READINGS

THE FOOD AND DRUGS (AMENDMENT) ORDINANCE, 1984

HON M K FEATHERSTONE:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Food and Drugs Ordinance (Chapter 61) 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 now have the honour to move that the Bill be read a second time. Sir, this Bill purports to do three things and it is basically a copy of a similar Bill in the United Kingdom. Firstly, it is to put our Food and Drugs Ordinance in consonance with EEC directives. Secondly, it is to upgrade the penalties for various offences since these have become very small indeed and what you might consider obsolete in present day circumstances. Thirdly, it is to make the time for prosecutions limited in respect of certain offences. The main provisions of the first section, as I say, is to conform with Community requirements and this will allow the Governor to make provisions relating to any food which is imported and to check the manner of sampling any such food or the manner of analysing such foods. The Bill also includes the regulations for the treatment of milk by the application of steam. Basically, Sir, this is one of the commitments that we have to face by being members of the EEC. It is a technical Bill, I think that most people won't understand it, I do not understand it fully myself but I do put forward that it is something that we are obliged to do. 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?

HON MISS M I MONTEGRIFFO:

Mr Speaker, in looking at this Bill, we, the Opposition, look at its merits in relation to how it affects Gibraltar. Therefore if it were just a question of complying with an EEC directive then we would not support the measure simply for that reason alone. We would need, Mr Speaker, to be convinced that this is desirable from Gibraltar's point of view and not

simply from Brussels' point of view. When the Government reply perhaps they can confirm whether these new regulations would apply to anyone who would wish to produce milk in Gibraltar. If this is the case, as we the Opposition understand it, according to our terms of membership we are outside the tariff barriers for milk products. This enables us, Mr Speaker, to buy milk in the world market and it also means that we cannot export milk to the EEC because the EEC milk production is controlled by a quota system, which is allocated on a country by country basis. Why then, Mr Speaker, should we have to comply with EEC requirements for Gibraltar produced milk when it cannot be freely sold to the EEC? It would need to meet the same conditions on entry as milk produced, for example, in any other country outside the EEC but who do not have to change their laws to comply with an EEC directive. Therefore, Mr Speaker, unless we can be fully satisfied on these points the GSLP will not support the measure.

HON CHIEF MINISTER:

That is a strange departure from the view being shown by the Hon Mr Feetham why we were not complying with directives in connection with company law.

HON J BOSSANO:

If the Hon Member will give way. We were not urging him to comply with it, we were asking him whether it was the intention to do it.

HON CHIEF MINISTER:

It was only clear in the course of questions that he was doing it the other way but it certainly raises a very important issue and that is that the European Community's Ordinance, which applies to Gibraltar, is a law that has to be complied with. I agree that the first consideration should be in the interests of Gibraltar and I hope we can get away from some of the directives that harm us, and that is what we have been trying to do but we cannot reject a requirement of the Community simply because we are not in agreement. For that purpose there might be a motion or a movement for getting out of the EEC as the Hon Member appears to be favouring every day more. Perhaps we could belong to the other lot. But, anyhow, we are complying with something which I do not think shows in any way that it could be harmful. In fact, it will be of great benefit.

HON J BOSSANO:

Mr Speaker, since we are talking on the general principles of this and as far as we are concerned the principle that is at stake is the one related to our continued membership of the EEC, let me say to the Hon and Learned Chief Minister that our

position on this should not surprise him. We, in fact, asked the people of Gibraltar to vote for a manifesto where the need to re-negotiate our terms of membership was clearly spelt out, it said 'the party is fully committed to re-negotiating Gibraltar's terms of membership in the European Common Market'. That is our policy and, therefore, in looking at anything that the Government brings to this House, either because the British Government has agreed with the Spanish Government to do it as a concession for the implementation of the Lisbon Agreement or in order to meet Spanish complaints arising out of their entering into the EEC and the incompatibility between our laws and their laws because of the fact that they are going to join the EEC, anything that comes along as a consequence of those two things, the Hon and Learned Chief Minister can be almost certain that we will oppose unless it can be shown that overriding those factors there is a clear reason for us doing it for its own merit. That is to say, if the Government of Gibraltar thinks that it is necessary to change the legislation covering the treatment of milk in Gibraltar - we do not know why they should because all the milk is imported - but we had a situation where there was a local business producing a product known as 'Supermilk' which could be restarted tomorrow except that it would not be possible to export that product anywhere into the Common Market, it would not comply with the Common Market requirements. But, of course, the fact that it would not comply with the Common Market requirements is irrelevant because we are not in the Common Market, anyway, for the purposes of exporting Gibraltar produced goods. Therefore, as far as we are concerned, if something manufactured in Gibraltar is not free to enter into the Common Market, then let us decide ourselves how we want to manufacture it for our own consumption, why should we take a directive from the Common Market? The position of this side of the House is clear. If the Government wants to accept the stand that because we joined the EEC in 1972 we are now caught in a situation where there is nothing we can do about it, we have to accept every directive that comes along, well, then they will do it on their own without any support.

HON CHIEF MINISTER:

If the Hon Member will give way. In the first place, the references to Spain do not arise in this law. I do not know how long ago it is that we should have done it so it has nothing to do with it. Secondly, I would remind the Hon Leader of the Opposition that it was the party of which he subsequently became a prominent Member that received with great jubilation Britain's entry into the Common Market and our subsequent entry as well. We do not refute our responsibility as an Opposition at the time of agreeing at all but I must remind him that the party with which he was associated for a number of years was the party that sent telegrams to Sir Alec Douglas Hume saying that it was a great day for Europe when Britain joined the Common Market and we joined with them. Of course, the rules have not to be looked at and if they have no sense in Gibraltar terms of the Common Market, we will look at them as critically as the Hon Member.

HON J BOSSANO:

Well, I think, Mr Speaker, if I may answer the first point which is not really relevant. When I arrived in this House one of the pieces of legislation that I was faced with as a Member of only two months standing was the alteration of our laws to comply with the EEC and whatever had been decided had been decided even before I stood for election in July, 1972.

HON CHIEF MINISTER:

I know that.

HON J BOSSANO:

We are looking at the situation today with the experience that we have had of the EEC of twelve years and it is not the same as having to make up your mind like everything else. The Government has made a number of policy statements here where they say to us: "We are only providing for twenty places in the Youth Training Scheme; we are introducing this means testing for credits but, of course, that is not a static situation". In the light of experience there could be an argument for widening the thing or narrowing it. I think, in the light of experience of being in the EEC and in the light of the anticipated fears that will come from the enlargement of the EEC, it is perfectly natural to be very critical of anything that comes along connected with an EEC directive and it may be coincidental, Mr Speaker, but we seem to have suddenly woken up to all sorts of directives that have been there for a very long time, just a year before Spain is due to enter.

MR SPEAKER:

Are there any other contributors? Does the Hon Mover wish to reply?

HON M K FEATHERSTONE:

Yes, Sir, I would just like to clear up this question of milk. It is not a question of milk from Gibraltar being exported to the EEC, it is milk from the EEC now being permitted to come to Gibraltar which it was not permitted to come in the past if it had been subjected to heat treatment by steam. Previously our laws did not permit and the laws of the United Kingdom did not permit milk to be imported if they had been heat treated by steam, now this is a common practice in the EEC, the EEC has seen fit that the heat treatment of milk by steam as long as certain conditions are followed should not be classified as adulterating or prejudicing the milk. This amendment will now mean that this type of milk can be imported to Gibraltar which it could not in the past.

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 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 Bossano
The Hon M A Feetham
The Hon Miss M I Montegriffo
The Hon R Mor
The Hon J C Perez
The Hon J E Pilcher

The following Hon Members were absent from the Chamber:

The Hon J L Baldachino
The Hon Major F J Dellipiani

The Bill was read a second time.

HON M K FEATHERSTONE:

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

This was agreed to.

THE LAW REVISION (MISCELLANEOUS AMENDMENTS) ORDINANCE, 1984

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to make miscellaneous amendments to various Ordinances be read a first time.

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

SECOND READING

HON. ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be read a second time. Mr Speaker, the purpose of this Bill is to effect minor amendments to various Ordinances. Several of the amendments contained in the Bill have been requested by Sir John Spry who is the Commissioner for the revised edition of the Laws of Gibraltar. If I may, Mr Speaker, deal, first of all, with Clause 2 of the Bill. Clause 2, Mr Speaker, seeks to amend Section 98 of the Bills of Exchange Ordinance, that is, Chapter 10. This amendment has been requested by Sir John Spry. Mr Speaker, by Ordinance No. 20 of 1973, we amended the definition of non-business days contained in Section 97 of the Ordinance to mean Saturday and Sunday, public holidays, bank holidays and those declared to be non-business days by various orders made under the Banking and Financial Dealings Ordinance. However, Sir, for one reason or another we failed to amend Section 98 which refers only to public holidays and to bank holidays and so the sole purpose of the amendment in Section 2 of the Bill, Mr Speaker, is to omit the words "public holiday and bank holiday" in the five places in which they occur in Section 98 and substitute therefor "non-business days". Mr Speaker, Clause 3 of the Bill attempts to correct what I can only describe as a real lawyers' muddle. Clause 3(a), Mr Speaker, by Section 6 of Ordinance No. 45 of 1983, three new Sections were added to the Criminal Offences Ordinance. Section 117(a) which makes it an offence to obtain services by deception; Section 117(b) which makes it an offence to evade a liability by deception, and Section 117(c) which created the offence of making off without payment. We added those three new Sections, Mr Speaker, solely for the purpose of doing away with what has been described as a judicial nightmare created by Section 112(2)(a) of the Criminal Offences Ordinance. Mr Speaker, we added the three new offences but we forgot to do away with the Section which created judicial nightmare and this amendment in Clause 3(a) of the Bill does away, I hope, with the judicial nightmare. Clause 3(b) and Clause 6, Mr Speaker, I would take these two Clauses together. Section 244(1)(ii) of the Criminal Offences Ordinance makes it an offence for a keeper of a livery stable not to inform the police of any contagious disease in his stable. Mr Speaker, when we came to enact Ordinance No. 45 of 1983, we meant to abolish that obsolete offence.

HON. J. BOSSANO:

Was that an EEC directive?

HON. ATTORNEY-GENERAL:

No, it wasn't an EEC directive, Mr Speaker. Unfortunately, Mr Speaker, Section 17(d) of Ordinance No. 45 of 1983, instead of repealing the obsolete Section has rather unfortunately repealed the penalty Section contained in

Section 244(2) and we should have repealed Section 244(1)(2). Clause 6, Mr Speaker, repeals the Section 17(d) of Ordinance No. 45 of 1983, and Clause 3(b) of the Bill repeals the obsolete Section 244(1)(2). Mr Speaker, Clause 1(2) of the Bill makes the repeal of the obsolete Section 244(1)(2) retrospective to the date of the coming into operation of Ordinance No. 45 of 1983. Mr Speaker, Clause 4 of the Bill seeks to amend Section 9(1) of the Crown Proceedings Ordinance. This is an amendment requested by Sir John Spry. This is another difficult one, Mr Speaker, again it is a lawyers' muddle. Section 9(2) of the Crown Proceedings Ordinance contains these words: "The Governor may, if satisfied that the act or omission was necessary for such purpose as is mentioned in subsection (1) of this section, issue a certificate". Having read those words you go and have a look at Section 9(1) and no such purpose is mentioned. You then go back to the United Kingdom Act on which our Trial and Proceedings Ordinance was based and if you see the equivalent of Section 9(1) it suddenly and inexplicably stops half-way, it just stops and it omits the following words: "and, in particular, nothing in the said Part I shall extinguish or abridge any powers or authorities exercisable by the Crown, whether in time of peace or of war, for the purpose of the defence of the United Kingdom" - and we have inserted now in this amendment - "or of Gibraltar or of training, or maintaining the efficiency of any of the armed forces of the Crown". Mr Speaker, without the missing words in Section 9(1), Section 9(2) is something of a nonsense and we hope with Clause 4 of the Bill to correct this nonsense and put in the words which were inexplicably left out in Section 9(1). Clause 5 seeks to amend Section 63(2) of the Maintenance Ordinance. The Maintenance Ordinance was last amended by Ordinance No. 15 of 1976. The explanatory memorandum for Ordinance No. 15 of 1976 reads: "The Bill removes the present maximum which the Magistrates' Court may order to be paid in the case of a child, a wife or husband or the dependent parent". Ordinance No. 15 of 1976 then amended various Sections, Mr Speaker, in the Maintenance Ordinance by deleting such words as: "such sum not exceeding £2.10 or such sum not exceeding £7.10, as the Court considers reasonable." Unfortunately, Mr Speaker, Section 63(2) of the Maintenance Bill contains the words "at a rate not exceeding £7.10 a week and at a rate not exceeding £2.10 a week". Those two references were not amended and so Clause 5 of the Bill seeks to delete those references to maximum amounts of £2.10 and £7.10 a week and substitute in Section 63(2)(a)(i) the words "such sums as the Court considers reasonable in all the circumstances of the case" and in Section 63(2)(a)(ii) the words "such sums as the Court thinks reasonable having regard to the means of the parties". I have already dealt with Clause 6, Mr Speaker. Clause 7; Section 10 of Ordinance No. 48 of 1983 reads: "The Companies Ordinance is amended by omitting from the Section listed in the first column of the Schedule to the Ordinance the sum shown in the section column and substituting the sums shown in the third column of that Schedule". You then go and have a look at the Schedule which was put into that Ordinance

and the first thing you see is that the Schedule purports to relate to Section 11 of the Ordinance. Well, of course, it should not relate to Section 11 of the Ordinance, it should relate to Section 10 of the Ordinance so we have, I hope, amended that in this Bill. The first Section mentioned in the Schedule was Section 156. You go to the Companies Ordinance and have a look at Section 156 and you see, unfortunately, that there is no reference to the sum of £50 which we increased to £500 but you have a look at Section 157 and there is the missing £50 which the Schedule sought to increase to £500. In the Schedule to the Ordinance it should have referred to Section 10 at the top and to Section 157 as the first item in the Schedule and not Section 156 and we hope with Clause 7 of the Bill that we have amended that.

HON J BOSSANO:

Could I just ask the Hon Member. I take it from what he is saying that in fact the sums of money are as intended, there has been no change there?

HON ATTORNEY-GENERAL:

There has been no change in the sums. The only change is at the top where you see Section 10 that reads Section 11 and when you see Section 157 it used to be Section 156 and there is no question of £50 in Section 156. Clause 1(3) of the Bill, Mr Speaker, makes the amendment retrospective to the date on which Ordinance No. 48 of 1983 came into force and that is the 31st December, 1983, because it is quite obvious that those were the figures intended by the House which due to a typographical error or some other error were not put in. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, I would compliment the Hon and Learned Attorney-General because in fact it was totally incomprehensible before he explained it.

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 later stage in the meeting.

This was agreed to.

MR SPEAKER:

We will now recess until tomorrow morning at 10.30.

The House recessed at 6.00 pm.

WEDNESDAY THE 27TH JUNE, 1984

The House resumed at 10.40 am.

MR SPEAKER:

I will remind the House that we are on Bills, First and Second Readings.

THE INCOME TAX (AMENDMENT) ORDINANCE, 1984

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Income Tax Ordinance (Chapter 76) 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. Mr Speaker, the Income Tax (Amendment) Ordinance, 1984, is intended to clarify certain amendments to the main Ordinance by this year's Finance Ordinance. Firstly, it reinstates the provision granting an allowance of £850 given to married men which was to be withdrawn if the joint husband and wife income from employment exceeded £20,000. The original intention had been to try to limit the scope for tax avoidance by the device of appointing wives as non-working directors in family businesses. However, it is now apparent that the provision would not have that effect but would penalise those husband/wife situations where the wives are in genuine employment. The amendment also ensures that relief to first time home buyers is given only if the house or flat is situated in Gibraltar. It had been argued that the clause as presently enacted could lead to claims from persons buying homes elsewhere whereas the proposal had been intended to encourage home ownership in Gibraltar. Mr Speaker, I have also given you notice that I propose to move an amendment to the Income Tax (Amendment) Bill, at 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?

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1984/85) ORDINANCE, 1984

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to appropriate further sums of money to the service of the year ending with the 31st day of March, 1985, 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. This Supplementary Appropriation Bill is not as a result of any additional commitment on the Government finances but is a technical measure permitting the controlling officers to incur expenditure this year which it had been forecast would have been incurred in 1983/84. The main item, the re-vote for the desalination plant, is a result of a payment having been made by the Crown Agents on the 4th April instead of in March as was requested. In other words, the Hon Juan Carlos Perez might like to add this to his already impressive vocabulary of financial terms, it was a heel tap. Now, Mr Speaker, I commend the heel tap and 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:

I think I am right in saying that, in fact, when the final figures for the 1983/84 come out, these sums will have been reduced in last year's estimates and increased in this one.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, that is correct, Mr Speaker.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken later today.

This was agreed to.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Sir, I beg to move that the House should resolve itself into Committee to consider the Food and Drugs (Amendment) Bill, 1984; the Law Revision (Miscellaneous Amendments) Bill, 1984; the Income Tax (Amendment) Bill, 1984, and the Supplementary Appropriation (1984/85) Bill, 1984, clause by clause.

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

THE FOOD AND DRUGS (AMENDMENT) BILL, 1984

On a vote being taken on Clauses 1 to 20 and The Long Title the following Hon Members voted in favour:

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Fassin
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 R Mor
The Hon J C Perez
The Hon J E Pilcher

The following Hon Member was absent from the Chamber:

The Hon Major F J Dellipiani

Clauses 1 to 20 stood part of the Bill.

The Long Title stood part of the Bill.

THE LAW REVISION (MISCELLANEOUS AMENDMENTS) BILL, 1984

Clauses 1 to 7 were agreed to and stood part of the Bill.

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

THE INCOME TAX (AMENDMENT) BILL, 1984

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

New Clause 4

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I move the addition of a further Clause as follows, and I think there is a side heading to go with it:

"Repeal of Section 7 of Ordinance No. 4 of 1984 4. Section 7 of the Finance Ordinance, 1984, is repealed".

This is, I am informed by my Hon and Learned Friend the Attorney-General, what I might call in non-legal language, Mr Chairman, a belt and braces measure to ensure that the Ordinance comes into effect almost immediately; and the due process of legality is observed.

Mr Speaker then put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and the amendment was accordingly passed.

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 SUPPLEMENTARY APPROPRIATION (1984/85) BILL, 1984

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

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

Clauses 2 and 3 were agreed to and stood part of the Bill.

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

THIRD READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Food and Drugs (Amendment) Bill, 1984; the Law Revision (Miscellaneous Amendments) Bill, 1984, the Income Tax (Amendment) Bill, 1984, with amendment, and the Supplementary Appropriation (1984/85) Bill, 1984, have been agreed to and I move that they be read a third time and passed.

On a vote being taken on the Food and Drugs (Amendment) Bill, 1984, 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 J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon E Thistlethwaite
The Hon E 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 R Mor
The Hon J C Perez
The Hon J E Pilcher

The following Hon Member was absent from the Chamber:

The Hon Major F J Dellipiani

On a vote being taken on the Law Revision (Miscellaneous Amendments) Bill, 1984; the Income Tax (Amendment) Bill, 1984, as amended, and the Supplementary Appropriation (1984/85) Bill, 1984, the question was resolved in the affirmative.

The Bills were read a third time and passed.

PRIVATE MEMBERS' MOTIONS

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House takes exception to the terms of the Joint Communiqué issued by Spain and Argentina on Gibraltar and the Falkland Islands and welcomes the British Prime Minister's statement that Her Majesty's Government stands quite absolutely by its commitment to respect the wishes of the people of Gibraltar. It further reiterates that the question of sovereignty is not a matter for discussion between Britain and Spain". The motion that I bring to the House, Mr Speaker, is, in fact, a composition made up partly of an extract from the words of the Prime Minister herself in Parliament and from a previous motion in this House or Assembly on the question of sovereignty not being a matter for discussion between Britain and Spain. I think it is only right that if the British Prime Minister has reacted publicly by saying that Her Majesty's Government takes exception to the terms of the Joint Communiqué issued by Spain and Argentina, we should do so all the more since we are the directly affected party in that communiqué. I think it is also worth recognising that the commitment to respecting the wishes of Gibraltar, which is in the Constitution, has always been upheld by the British Government as, indeed, it is only right that they should since it is contained in the preamble to the Constitution as a commitment on the part of the British Government but that it can be upheld in a lukewarm or in a strong fashion and there can be no doubt that particularly since the situation that took place in the Falklands with the Argentinian invasion, the question of respecting the wishes of the people, both here and in the Falklands, has become a major policy position of the present British Government. It is not a position that is shared, I think, by the entire House of Commons. There are MP's on both sides of the House who have been critical on one occasion or the other of the degree of commitment and suggested that people in the Falklands or people in Gibraltar should not have the right to veto any settlement made with the nations that have laid claims on their homelands but I think the mainstream political opinion in both political parties in the United Kingdom continues to be that the respect for the wishes of the inhabitants of the territories concerned takes precedence over the convenience that there might be in terms of foreign policy. We have got an obligation, I think, to strengthen that point of view in our own self interest and, of course, to be prepared to fight for that point of view if the tide should turn against us at any time which it looks at the moment, certainly, as if there is no indication that it might happen although it is clear that the British Government limits its commitment on the Constitutional side and does not extend it to other aspects of their relationship with us such as the question of giving Gibraltar as a dependent territory all the financial assistance that it needs to be able to survive and withstand any pressures that are put on it. I think that, clearly, in the minds of the

British Government the respect for the wishes of the people of Gibraltar means that we have to combat ourselves the pressures that we are put under and that the proof of the pudding of how strongly we feel about not being Spanish is the degree to which we are prepared to withstand the pressures that may be put on us. I think there is also a conflict in the stand being taken by the British Government which in some respects lies at the root of the controversy over interpretation of the Lisbon Agreement ever since it was signed. I think the Spaniards have, with a certain degree of logic, argued that if the people of Gibraltar are adamant that sovereignty is not a matter for discussion, if the British Government is adamant that it must respect the wishes of the people of Gibraltar, then how can the British Government at the same time be prepared to discuss any matter that the Spanish Government wishes to raise when it is obvious to the British Government that the first such matter that the British Government wish to raise is the question of sovereignty which brings us back to the initiating position in the circle that the people of Gibraltar are adamant that they do not want to discuss and the British Government is adamant that it will respect the people of Gibraltar's wishes. I think that the Spaniards have throughout seen in perfidious Albion an attempt to get the removal of the restrictions without any real intention of doing anything about it in concrete terms other than playing at a game of diplomacy of having negotiations which were not meaningful negotiations as anybody would understand it, designed to achieve specific results and a changed situation but pay lip service to those negotiations. And from the perspective of the history of the exchanges between the British Foreign Office and the Spanish Foreign Office going back to 1964, one can see the conclusion that the Spaniards have come to. I think it is also true that within the Foreign Office itself, the British Foreign Office itself, there has been a tradition going back 20 odd years telling the Spaniards that they should woo the Gibraltarians, that they should play a low key role, that they should show friendship towards Gibraltar as a way of winning over the hearts and the minds of the people of Gibraltar and that that was the most profitable role to follow to the eventual takeover of Gibraltar. I think we have got to make absolutely clear to the British Government and to the Spanish Government that as far as we are concerned, the people elected to this House of Assembly, that our commitment is to ensure that whatever measures are taken whereas we support that Spain should be friendly towards Gibraltar rather than hostile to Gibraltar, we have to make it absolutely clear that if the objective of the friendship is the takeover of Gibraltar, then the objective of the political leaders of Gibraltar is to welcome the friendship but obstruct the ultimate result. We want to be friends because we are not a hostile people and we do not want to go to war with anybody, that is why we want to be friendly, but we do not want to be friends because we consider that friendship with Spain is going to produce more profitable results in their eventual aim of integrating Gibraltar than hostility. In fact, we want and we need to make that absolutely clear

and we feel so particularly on this side because our whole approach to political leadership and political philosophy is precisely that we believe that it is more conducive to good Government and harmonious relations to call a spade a spade rather than to water down issues and make the dividing line nebulous and make it possible for more than one interpretation to be put on one particular situation depending on the perspective of the person observing the situation. We believe that the motions that we bring to this House, Mr Speaker, are brought in this spirit and this is why we resist amendments so often because the amendments appear to be designed to do the opposite, that is, to cloud issues rather than to clarify them. I commend the motion to the House.

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

HON CHIEF MINISTER:

Mr Speaker, we do not quarrel with any of the three propositions in the motion, perhaps it is a matter of emphasis. When the Madrid declaration was made and the Prime Minister reacted the way she did, I was not at all surprised. It is in character with the way in which she has taken the matter and, therefore, I think we have now been accustomed to her robustness in this matter and it is really very satisfactory and, indeed, it is satisfactory that the Members of the Opposition should bring a motion supporting that view because whilst on the one hand the motion now speaks about welcoming the statement, at other times the Opposition either in questions or in other ways are always full of innuendos that the British Government wants to do a deal behind our back which is not the case. There is no doubt that some element in the Foreign Office want things to go easy and do not want to bother but what is important in this vital matter as, indeed, was important at the time of the invasion of the Falklands by Argentina is the political reaction to the position and I have no doubt and I have no doubt all along that from the inception of the difficulties with Spain that as the Leader of the Opposition has rightly said, the emphasis of opinion among the majority, we do not make any illusions that there may be, in both sides of the House, all parties, there are people who feel that we ought to be sensible and this or the other. Well, the few that we have encountered, one of them we dealt with here publicly in the Man Alive programme, he was a member of the European Parliament, others do not dare say it very often, others say that they do it to tease you and find out your reaction and they put points to you to see how strongly you feel in order to be able to make a proper report to their superiors. One has to be cautious about these occasional social contacts or informal contacts where proposals are put to you in an inquisitive manner or put to people in an inquisitive manner in order to get your reaction. I would just like to make one remark in regard to the third point and that is the question of the discussion of sovereignty. My party voted in favour of the 1977 motion on

this issue and we have maintained that position throughout. The Lisbon Agreement of April, 1980, by implication opened the door to the discussions on sovereignty but the then Leader of the Opposition and I publicly reiterated our position on this question and our support for the Lisbon Agreement has always been qualified by that reservation and, indeed, I think, with respect, to talk about the Lisbon Agreement now is really to talk about the past, I think we have other realities much more important and immediate than the Lisbon Agreement to worry about. This is where we should be concentrating and that is on the question of the result of the future joining of Spain with the Common Market. Apparently, now the internal problems of the Common Market were settled last night, some say with great success to the Prime Minister and there is already a motion, I understand, in the House of Commons criticising her for the deal but it is not our business to interfere in British politics other than if it affects Gibraltar, no more than it is their business to interfere in internal politics other than if it affects one of the reserved subjects. But, anyhow, one thing is clear arising out of the deal which was seen yesterday and that is that the possibility of Spain acceding on the 1st January, 1986, has become more real whereby we should become more cautious. We have no hesitation in supporting the motion.

MR SPEAKER:

Are there any other contributors?

HON A J CANEPA:

I was just waiting to see if there was anybody else from the Opposition in order to get a balance but if there isn't I am quite willing to make my contribution at this stage. As the Chief Minister has said, Mr Speaker, there is no problem from the Government benches in supporting this motion. I just wonder, Mr Speaker, whether at this stage, and this is only my personal view, whether the last sentence is really necessary. I say that not only because other than of course we do have a new House, perhaps, to that extent it might be important that a new House should formally restate its commitment to something which was approved by a previous House. But in practice I do think it is necessary and I will explain why. Baroness Young, immediately on arriving in Gibraltar, was asked by Mr George Garcia of GBC about the question of sovereignty and she was very straight and blunt about it when she said that as far as the British Government is concerned, sovereignty is not negotiable. And then at the first conference which she held on Saturday morning, the matter came up again and she restated the commitment which the British Government has and which is enshrined in the preamble to the Constitution and she went on to explain how in her view it was clear that at any talks that there might be between Britain and Spain, let us say in conjunction with the implementation of normalisation of the frontier, the Spaniards were very likely to bring up the issue

of sovereignty as was, indeed, envisaged in the Lisbon Agreement. But she also went on to explain that it was perfectly clear what the attitude of the British Government and what the response would be and that is to say that as far as we are concerned we stand by the preamble to the Constitution and sovereignty is not negotiable and, in my view, that will be the end of the matter at those talks. Her interpretation also of the attitude of the Spanish Foreign Minister, Señor Moran, is that he also recognises that those are the real facts of the matter in statements that he is alleged to have made to one of the Parliamentary Committees of the Cortes on Foreign Affairs where, apparently, Señor Moran recognises that as seen from his point of view, Spain is not likely to make any progress on sovereignty and it is a matter which Spain must put on ice, put on the shelf, and pursue some time in the future. I think he also at that same meeting recognised the paramountcy and had to accept the paramountcy of the wishes of the people of Gibraltar. This question of the future, I think, fits in with the point which the Hon Mr Bossano was making about the Foreign Office view about what we would call the wooing process. I do not know to what extent, today, that remains the official Foreign Office view. I think that interpretation could certainly be put perhaps on the Mattersley Memorandum of 1976 but I have doubts as to the extent to which that remains the official Foreign Office view. That is a view held by some people within the Foreign Office I have no doubt but as we find when we come into contact with them from time to time and as the Chief Minister mentioned, some officials, some diplomats in the Foreign Office either have or appear to have certain views about Gibraltar, about the Falklands and so on. Some Members of Parliament for that matter have got what we would regard as very dangerous views about the future of all these dependent territories. I do not disagree with his assessment of that situation. Fortunately, as far as I am concerned, it does not seem to make any difference, it does not seem to matter in that, in practice, the whole thing appears to be quite pointless. I do not think the Spaniards are capable of even attempting to woo the Gibraltarians. They do not seem to know how to do it and I do not know whether it is a failing in their national character, an exaggerated sense of pride which prevents the Spaniards from going that. Even with the partial opening of the frontier it cannot be seen in that context because at the same time as people welcome the fact that they are able to go to Spain to see their relatives, for recreation and so on, and people are entitled to exercise their individual freedom as they so wish, one cannot help but get the feeling that nevertheless those people do recognise that the economy is being harmed and they do not like the fact that the Spaniards are putting them deliberately, perhaps, many people would think today, not at the end of 1982 but today the Spaniards are deliberately putting the people of Gibraltar in that situation and to that extent the partial opening of the frontier, I think, becomes counter productive in that the Gibraltarians as a whole do not react to that in a positive manner and say: "Ah, here is a socialist Government wanting

to make a break with the past. To the extent that they are able to they are ushering in a new era of friendship and a new approach to the people of Gibraltar". Even there, I think, they messed the whole thing up and it becomes counter-productive. So, in practice, I do not think it matters but there is, I agree, a certain view as indeed perhaps one can mention, there is nothing confidential about it, the sort of exchanges that take place over a lunch or over a dinner when Foreign Office officials come to Gibraltar, I think it can be mentioned publicly, and one of the officials was deliberately provocative. I do not know whether he was doing that in the context, as the Chief Minister has said, in order to discover, to try and find out whether there are any chinks in the armour, whether public opinion supports the official view of politicians and, indeed, of the Government regarding the matters that were being discussed at the end of last week. Perhaps they are trying to do that, perhaps it is a bit of both. If it is not a ploy, if it is not a tactical ploy, if it is a view that is seriously held, then with friends like those who needs enemies, but I do not know, I am not sure. There was an official for instance saying: "You people in Gibraltar are always whining, you are never satisfied and you are alienating public opinion in the United Kingdom, you no longer have public opinion with you and even in Parliament your support has dissipated, there are no longer questions being asked supporting Gibraltar in Parliament". I don't know to what extent that is true. One perhaps could have said to him: "Well, you people in Britain are doing the same. Europe is probably fed up with you because you are always whining, you are always asking for more and you want to contribute less. The only thing is that, fortunately, you have got muscle and you are able to succeed and we rely on you to be able to put our point of view to Brussels and to protect us against the ultimate objective of Spain which is to take us over". I do not know, there are different ways of looking at it, I think what is necessary, naturally, is that we have to be on our guard that this view does not prevail, that it does not become the official view of the politicians in the Government which is what matters and that we try to nurture the support that there is for us in Parliament and try to gain more support through public relations activities by getting Members of Parliament to come to Gibraltar, younger Members of Parliament who are cut off from Gibraltar because there always used to be a Service connection. Now that does not exist and amongst the younger Members of Parliament, particularly in the Labour Party, they are alienated from Gibraltar, they do not know Gibraltar at first hand and we need to establish this relationship and we need to keep alive the support that there is for us in case we ever face difficulties. The Hon Mr Bossano right at the beginning of his intervention spoke about the limitations, as he saw it, that there is on Her Majesty's Government support for the stand that we are taking in Gibraltar. It extends so far but perhaps on the question of economic assistance it does not go that far. I do not know, I think as far as they see it and whilst on the one hand I have no doubt that the message which Baroness Young took from

Gibraltar is a definite consensus, I do not think that chinks in our armour were detected, I think they went away with a definite view that we are united on the essentials. I think in the same way they feel, and she put this across repeatedly, that the British Government is honouring its commitment to Gibraltar not just politically, not just diplomatically but also in respect of the economic assistance that we are getting. I do not agree that it is enough but that is another matter. But seen from their point of view she reiterated the policy of support and sustain, support and sustain, she did not say support the economy. So that in the present context with the difficulties that Britain is having, we are getting the £28m, the £14m, the £15m and, no doubt, the land that is being handed over and so on. They consider that they are honouring their obligations and that they are doing that and giving us assistance over and above what they are prepared to do to their own people, and she mentioned again Portsmouth and Chatham, because they recognise the peculiar and unique relationship between Britain and Gibraltar and the contribution that Gibraltar has made in upholding the interests of Britain over the years. This is the way that they see it. As I say, we have to be vigilant and we have to continue to press our point of view. I think we have to continue to press on the economic front that the opening of the frontier is not a panacea and whether they accept that or not I am sure that they have taken the view that that is what we feel and that they must not make the mistake that they made in 1980, and that they must not make the mistake of thinking that because they are now, hopefully, as far as they see it, with the problems of the Community being nearer, the immediate problem of the Community on the budget being nearer to a solution, I think that the British Government now see the way somewhat clearer for the negotiations with Spain to be finalised by the target date of September and we could see normalisation at the frontier within a definite timescale. But I think the British Government must not make the mistake of thinking: "Ah, there is going to be again an economic boom as there was going to be in 1980 or in 1982. Once the frontier opens, with all the lands that we are handing over the people of Gibraltar will have no problem and they will need no further assistance". And the message that we have had to try to get across is that a little bit of help now could have the effect of enabling us to take advantage of the opportunity or be able to compete on a good footing with the opportunities that may come up. I think they are making a mistake of not realising that in the short term full normality at the frontier is going to probably lead to serious problems, to a greater outflow than there now is. To what extent that will be compensated by money spent by other visitors to Gibraltar remains to be seen so my point is that we have to be vigilant, that we have to keep hammering away and that ultimately it is at the political level and at the political level only, where we can make a real impact. This motion really mirrors and reflects the kind of attitude, the approach that there is to the essentials of the Gibraltar issue at the very highest level and that is the Prime Minister herself and I think we should be in no doubt as to,

as the Chief Minister put it, as to her robustness, because I think that for all her faults and in spite of the extent to which we may or may not agree with her economic policies, if there is anybody in the British Government, if there is anybody in the UK who has staked her own political future on the stand that she has taken in respect of small territories like Gibraltar and the Falklands, it is the Prime Minister herself and that is where I think our greatest support lies. To that extent we can wholeheartedly support this motion.

HON M A FREETHAM:

Mr Speaker, it was not my intention to make a contribution because I felt that the Hon Leader of the Opposition had covered all the points but there are one or two things that the Hon Minister for Economic Development has stated which I think we can quite safely associate ourselves with. However, I detected a slight over-simplification in the contribution to the stand taken by our party as regards the Lisbon Agreement. We opposed the Lisbon Agreement, not yesterday, but we opposed it in 1980 when (a) it was not a sure factor that Spain would enter the EEC, in fact, the situation was such that it would not have appeared at the time that Spain had a chance of entering the EEC and, secondly, because for the first time in Anglo-Spanish relations, Britain had accepted that sovereignty should be placed on the agenda in discussions between Britain and Spain. That is why we opposed the Lisbon Agreement because never before had Britain recognised that that should be an item in the agenda and it should be a matter of ongoing discussion over X years, that is why we opposed the Lisbon Agreement. However, the motion that is here today is a necessary motion, in my view, because it also gives a good opportunity in the light of the visit by Baroness Young, and the Hon Minister for Economic Development has in fact raised one or two points, that reiterating the question of sovereignty and not enough opportunity and time and economic aid for Gibraltar to re-adapt to the new situation where Britain, on one hand, stands behind the people of Gibraltar and on the other hand brings in reduction in MOD expenditure, closes the Dockyard etc, etc, etc, does not give us the opportunity to re-orientate the economy and the confidence to do it, in fact, plays into the hands of the Spanish Government if the mandarins in the Foreign Office of which Mr Canepa spoke about has any weight whatsoever in the process of Spain wooing the people of Gibraltar over through economic strangulation and this is where we have to be cautious, very cautious, that in fact the normalisation at the frontier, does not become a normalisation as far as the people of Gibraltar are concerned and in fact becomes a strangulation over a period of time. This is what we have got to be cautious about and I am concerned that the direction which is emanating now from certain quarters will not help us in trying to survive, in fighting the wooing and in fighting the mandarins in the Foreign Office. It is no good, and let us put a name to the official, we might as well, Mr Codrington, and I hope nobody takes exception, he may do, but who is an official to tell us

things like that, not even in private parties, because it is not a time for private parties, it is a time for profound discussion and it is the wrong time to make comments about the people of Gibraltar when the people of Gibraltar have got their backs against the wall, Mr Speaker. That is the big contribution I wanted to make. We were against the Lisbon Agreement because for the first time the British Government has, in fact, given tacit recognition that Spain has a case for discussion of sovereignty over a period of time because it is in the agenda.

MR SPEAKER:

If there are no other contributors I will call on the Mover to reply.

HON J BOSSANO:

Mr Speaker, I am not going to say a great deal. Obviously, we welcome the fact that the motion is going to be passed without eliminating all the words after "This House". I think it is a long time since the original motion on the matter of sovereignty not being discussed between Britain and Spain and I think it is right that we should not lose any opportunity to remind people that whatever the changing composition as far as individuals may be concerned in this House of Assembly, it is clear that there is a consistency in the line that we are prepared to take in defence of this particular matter of policy. I think the contribution made by the Minister for Economic Development was useful in that he introduced a number of ideas which I myself had not raised but which I think need to be responded to. Let me say that it may be true, as he says, that Señor Fernando Moran may have privately expressed a view that there is no mileage in pursuing sovereignty but in public he has said quite the opposite. I personally have heard him in an interview on Spanish television saying that he was quite optimistic that now the technical talks were doing so well, the next thing was to get down to the political negotiations and that sovereignty would then be raised. He has also made clear that does not mean he expects to achieve a transfer of sovereignty within a matter of weeks or even perhaps within a matter of years but that it will be discussed and, indeed, negotiated on there is no doubt that he either believes it himself or wishes to give the impression for domestic political reasons, that that is the hope and the estimation of the progress that is being made. One can understand that in any parliamentary democracy, and Spain is now clearly a parliamentary democracy, governments sometimes have to go through some convoluted definitions of what it is that they are doing in order not to damage their support with the electorate and no doubt the negotiations with the EEC or the negotiations on the fishing industry or anything else has got to be presented by the Spanish Government as successful from Spain's point of view and no doubt will be treated by the

Opposition as a failure on the premise that a different Government would have done better and the same will colour the situation as regards Gibraltar so one can perhaps discount a certain element of optimism on the part of Spain simply on the basis that it is the current government trying to give the electorate the impression that they are making headway on their claim over Gibraltar because it suits them to give that impression. But irrespective of that element, even if we discount that element, there is clearly a situation which we ourselves have to face and I do not think it is simply that the people who do not wish us well sneer at us and say that we are living in the past and that our support comes primarily from a dwindling band of empire loyalists. I think there is an element of truth in that situation, I think it is true and I take the point made by the Minister for Economic Development that we need to get new Members of the House of Commons out to Gibraltar and particularly new Members on the Labour side whose outlook as regards colonial situations is very cut and dried and almost by definition they say: "Well, the Labour Movement is committed to the process of decolonisation and therefore what we have to do is liberate the colonies". I think the only way you are going to persuade them that this is not, in fact, occupied Spain is to get them out here to see for themselves. I agree entirely with what the Minister for Economic Development has said that we need to maintain a lobby in that area because in fact some of our old friends either do not get elected or they retire from politics and therefore we have got to make new friends. I also think it is important for us to recognise that we cannot and we will not be able to start as an isolated monument to the concept of a colonial empire when the empire has disappeared from the face of the earth and the last and unique remaining example of it is Gibraltar. We have to recognise that Gibraltar's status as a colony becomes more painfully obvious the less colonies there are. Hong Kong is now going and there is no doubt where the trend is and the trend has been there since the war so we have to face that reality ourselves. It is no good saying that the British Government's position is that they respect the wishes of the people of Gibraltar and that the people of Gibraltar wish to be a colony and that the rest of the world will respect the wishes of the people of Gibraltar to be a colony. That will not be the case and that will not be respected and that is not a recipe for Gibraltar's survival. I accept what the Minister for Economic Development has said particularly about the approach of Baroness Young who, obviously, from what one reads and from what one hears, repeated ad nauseam the message of generosity wherever she went and whoever she met. I think the question of generosity in the treatment of Gibraltar by Her Majesty's Government is, in fact, something that requires definition and in my book, Mr Speaker, one is generous if one gives more than one has got an obligation to give, that is by implication what generosity means. If one is generous it is because one is providing over the odds. My point of departure, and the point of departure of the Opposition in the House of Assembly and of the GSLP when we were not the whole Opposition in the House of Assembly, has been to

say that the support and sustain policy, and I think it is important to put it on record again, it has been put before on more than one previous debate, as far as we are concerned the support and sustain policy is a myth. Her Majesty's Government since the beginning of 1969 has given Gibraltar a smaller proportion of aid than before 1969. If we take the same number of years, going back from 1969 and coming forward from 1969, if we look at the development programme in Gibraltar since the war, at the number of houses built since the war financed by Commonwealth Development Plans either through soft loans or through grants, if we look at the 1969 Estimates, Mr Speaker, and look at the amount of money provided by UK and look at it as a proportion of the total money spent, we find that the proportion was enormous. In 1972, the British Government was providing Gibraltar with £2m of aid in a year where

MR SPEAKER:

You are expanding in exercising your right of reply and you are bringing in matters which have not been raised in the debate.

HON J BOSSANO:

I am replying, Mr Speaker, to the point made by the Minister for Economic Development which I had myself introduced in my original opening speech that Her Majesty's Government's commitment to respect the wishes of the people of Gibraltar as far as they were concerned was a political commitment which did not in turn require them to give unlimited financial support.

MR SPEAKER:

I understood the wishes of the people of Gibraltar to relate to the specific problem which is mentioned in the motion.

HON J BOSSANO:

Absolutely, but our ability to be consistent in our wishes is determined by our economic circumstances to some extent, that is, it is very difficult to wish not to be Spanish if wishing not to be Spanish means having a full belly and wishing to say no to Spain means having an empty belly, Mr Speaker.

MR SPEAKER:

I accept all you are saying and it would have been completely and utterly relevant for you to have raised this when you were moving the motion. You are now exclusively replying and no new matter is to be brought in a reply because Members do not have the right to speak subsequent to your reply. That is what I am getting at.

HON J BOSSANO:

Well, Mr Speaker, I would be happy to give way if any Member feels what I am saying needs replying to but what I would like to say to you is, and I think the Hansard will show that this is the case, the point that I am making now is, in fact, my reply to the point made by the Minister for Economic Development

MR SPEAKER:

Yes, to that extent you are entitled but you are not entitled to go into specifics and figures which could be questioned and which the Government will not have an opportunity to question you on. That is why I am calling you to order.

HON J BOSSANO:

Well, they can question the figures because I will give way if they think the figures are wrong.

MR SPEAKER:

Go ahead.

HON J BOSSANO:

I think I need to say, Mr Speaker, that the Opposition does not share the view that the support and sustain policy since the frontier restrictions has provided Gibraltar with a higher level of economic aid than it was being provided before and these are figures that I have quoted before in the House, it is not the first time. In the 1982 Budget, I think it was, I produced an analysis of the proportion of total public expenditure in Gibraltar accounted for by aid from UK in 1972, when it was 25%, and in 1982 when it was 0.1%.

HON A J CANEPA:

I hope he is not suggesting that I have propounded that view or that I share that view.

HON J BOSSANO:

I accept that the Minister himself has said that he does not condone the position that has been expressed that we are getting sufficient aid, I know that that is true. But what I am saying is that the support and sustain policy, as far as I am concerned, which the British Government says they are committed to, as far as we are concerned on this side, that support and sustain policy which is now being put in question by the British Government by saying the policy is there because of the frontier restrictions, the policy is supposed

to end when the frontier restrictions go, the Government's position is that they do not accept that it should go when the frontier restrictions go because as far as they are concerned, and we share their view, and we have told Baroness Young ourselves that when the frontier opens the impact on the economy which is a trauma created by a change in the environment, is the equivalent of the trauma created by closing the frontier and, therefore, if there is an argument for giving assistance because you are closing suddenly there is an equal argument for giving assistance because you are opening suddenly because it is the need to adjust that produces the need for assistance, whichever direction you are adjusting it. We agree and we are both saying the same thing in that respect. I think where we go further is to say that in any case we are not simply saying you must maintain the level of aid you have provided for the last few years, what we are saying is if we look at their level of aid for the last three years we consider that the level of aid for the last three years is nothing to write home about. When Baroness Young mentioned to us, as she must have mentioned to the Government, because the Minister for Economic Development made a reference to it, that in looking at the £28m we could not forget that they have also given £13m for the 1982/83 Development Programme, we said, yes, but the £13m for the 1982/83 Programme was not an increase in aid to Gibraltar, it was a decrease because the 1978/81 Development Programme provided more money in three years than you are providing in five. If you look at what you are giving Gibraltar in the 1981/86 Programme, all right, they did not start giving it until 1982 but the Government of Gibraltar went to UK in February, 1981, and they are now in the same position, Mr Speaker. They are in the position now where they are looking at the post-1986 Programme and Baroness Young made clear that that would be looked at as and when the time came but, anyway, I agree that if I follow that line any further, Mr Speaker, I would be moving out of the original motion and, therefore, I just think we need to put on record that our position of sustain and support, if anything, goes further than that of the Government. I welcome the support of the Government to the motion.

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

The Hon J L Baldachino
 The Hon J Bossano
 The Hon A J Canepa
 The Hon M K Featherstone
 The Hon M A Feetham
 The Hon Sir Joshua Hassan
 The Hon G Mascarenhas
 The Hon Miss M I Montegriffo
 The Hon R Mor
 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 Zammit

The following Hon Members abstained:

The Hon E Thistlethwaite
 The Hon B Traynor

The following Hon Member was absent from the Chamber:

The Hon Major F J Dellipiani

The motion was accordingly passed.

HON R MOR:

Mr Speaker, I beg to move that: "This House is concerned that several years after a resolution in the House unanimously approved that part-time Government Service should be pensionable, the necessary legislation should still not have been implemented and considers that the matter should be proceeded with without further delay". Mr Speaker, on the 19 December, 1978, a debate took place in this House which had all the contributors in agreement on the central issue. The central issue was to include Government part-time service as reckonable service for pension purposes and everyone was sympathetic and there was absolutely no problem in agreeing on a resolution to give urgent consideration to include part-time service as pensionable. Mr Speaker, as I have said, this debate was held in December, 1978, and I think I should go over some of the things which came to light during the course of this debate. First of all, Mr Speaker, there seems to have been some confusion as to when the claim for part-time service to be made pensionable originated. According to my Hon Colleague, Mr Bossano, the claim to make part-time service pensionable originated about four years before 1978, that is, in 1974. But according to the Hon Mr Canepa, who was then Minister for Social Security, the claim was originally tabled on the 16 August, 1977. Well, Mr Speaker, I would not like to be accused of being biased so I will surprise the House and accept what the Hon Mr Bossano says, that might be perhaps an example of Orwellian obfuscation. This means, Mr Speaker, that the question dates back to about ten years. Several of the Members who contributed to this debate, Mr Speaker, expressed concern about the time it was taking the House to deal with this matter and in fact the Hon Mr Canepa, believing that the claim originated from the 16 August, 1977, is recorded as having said, and I quote: "A fairly long time, fifteen months ago. It is not four or five years but fifteen months ago". I think, Mr Speaker, that considering this, perhaps, an equation needs to be worked out and the equation is if fifteen months equates to a fairly long time, then what does ten years equate to? Perhaps the Hon Mr Canepa will give us the answer later on. If I may continue with the ancient history of this case, Mr Speaker, the main problem at the time seemed to be that the Government were waiting for expert advice from UK and also that it was a question of

carrying out a general review of the legislation regarding pensions. But in the end, Mr Speaker, as an amendment to the original motion, the House finally resolved that: "This House resolves that urgent consideration should be given to the question of counting part-time service for the award of a pension within the general review of pensions which is likely to be carried out and that should a general review for any reason be delayed, the question of part-time service should be considered separately". Now, Mr Speaker, one would have thought that this would be the end of the story and that retired part-timers would be enjoying their pension a reasonable time later. But, no, Mr Speaker, on the 17th December, 1980, almost two years later to the day were it not for the fact that 1980 was a leap year, in fact, it would have been exactly two years later, the question was raised in this House by my Hon Colleague, Mr Eossano, which again queried what the Government had done as regards part-time service. The answer was that the Government had been in consultation with the UK and that officials were then in a position to make a submission to the Government. When the Hon Attorney-General at the time was pressed during supplementaries to be more specific, Mr Speaker, he ended by saying: "I am sure, Mr Speaker, the Government will move expeditiously but it will require time to consider the submission". This happened in December, 1980. Four and a half years later, Mr Speaker, and the Government is still moving expeditiously. Last March, I personally raised the issue at question time and the answer this time was that some difficulties were being experienced to reach agreement with the Staff Side as regards the part-time teachers. There we have the historical background, Mr Speaker. First of all, it was a question of waiting for expert advice from UK and also that there was a general review of pensions. Two years later it was a question of officials making submissions to Government and that the Government would move expeditiously. And lastly, Mr Speaker, it was not a question of expert advice or of a general review, neither was it a question of submissions to the Government or that the Government was going to move any slower, but that agreement could not be reached with the Staff Side. We still have not reached the point where we are likely to come up with problems when we start discussing money. So, Mr Speaker, we on this side of the House, are very seriously concerned about this issue. I wholeheartedly agree with what was said in the House in 1978 that those people who are affected by the lack of progress on this issue are part-workers who have already retired years ago and who if they are lucky to be still alive will find themselves left out of the scheme altogether because the Government would simply not act swiftly and efficiently. We have part-time nurses and part-time teachers and other workers who have probably provided long, dedicated and faithful service not only to the Government but to the community of Gibraltar as a whole and those people are expecting that in their old age their income should be enhanced by a pension. It must be said, Mr Speaker, that whilst the Government is going through all its stages of consideration, more and more part-time workers will be losing

out simply because what is seemingly inefficiency and disregard for the urgency of the matter. But there is even one more important point which needs highlighting, Mr Speaker. Sad as it is to have part-time workers being the victims of circumstances, it is still I think worse to find ourselves in the situation we find ourselves in in this very House. In, 1978, Mr Speaker, the motion said the matter would receive urgent consideration. In 1978, the motion was passed unanimously, the motion was passed unanimously by all the elected Members of the people of Gibraltar, a motion asking for urgent consideration and now it is six years later and it still has not been resolved. What sort of credibility can anyone give to this House when a mandate for such a trivial matter in comparison with other problems, takes ten years and still has not been resolved? What sort of respect can we command in the eyes of the Gibraltarian people, let alone in the eyes of anyone from outside Gibraltar? How can we be taken seriously? Indeed, Mr Speaker, I think the situation is a sad reflection on this House. To conclude, Mr Speaker, the motion before this House shows concern about the length of time that the issue in question has taken and asks that the matter should be proceeded with without further delay. I would not think, Mr Speaker, that in conscience anyone in this House should vote against the motion and I therefore commend the motion to the House.

Mr Speaker then proposed the question in the terms of the Hon R Mor's motion.

HON A J CANEPA:

Mr Speaker, I can associate myself entirely with the sentiments expressed by the Hon Mr Mor regarding the delays which have occurred in dealing with this matter and I can support the motion wholeheartedly. I also agree with him about the point that he has made regarding the due regard that there should be for motions which are passed unanimously by this House. If after a motion is passed unanimously the matter is not progressed and the culmination of it is not reached until six or seven years later, it does rather tend to undermine the position of this House. But having said that, I think that there has to be an understanding and an appreciation of what the constitutional position is as well because we can be passing motions in this House till doomsday and if they are on matters which are not directly within our province and our ability to follow implementation is somewhat curtailed by the constitutional position, then an understanding of that constitutional position is also necessary because it can have a bearing on what we are doing and what we are trying to achieve. In 1978 I led for the Government in that debate because I was Minister with responsibility for Social Security but the matter that was being debated then and the matter which is being debated today is not the constitutional responsibility of the elected Government and neither then when I was Minister for

Labour and Social Security nor today am I directly responsible constitutionally for the matter that we are discussing and I think it is important that that should be understood. The question of service pensions, the pension of Government employees, is not a matter for which Ministers of the Gibraltar Government are responsible. It is a matter for the administration and it is a matter, in the last resort, for the Secretary of State in London. That is the constitutional position whether we like it or not and we on this side, the politicians on this side, nevertheless have to carry the can. We are the ones that have got to respond as I did then and as I have to do today, I am the one that has to get up and give answers not the administration because the administration is perhaps not represented here to the extent that it could be and you can hardly ask the Attorney-General who has recently become Attorney-General or the Financial and Development Secretary, who has only been with us a relatively short period, to deal with a matter that goes back six or seven years. The buck stops here and of course the political view about the matter is important but the impetus that can be given to a matter for which a Minister is directly responsible is not the same as for a matter for which you are not responsible. When I was Minister for Labour and Social Security, if I set myself certain targets I ensured that my Department met those targets because I was the boss and I would say: "This has got to be done by the 1st January or such and such a date", and if the civil servants had been minded to put undue obstacles, which let me say that there weren't, I would have said: "No, you tell me what the problems are and I will find solutions to those problems. You need more staff, make a case for that staff and you will get the staff but these are the target dates, this is when I want the review and it has to be done". It never reached that but because the Minister was responsible for old age pensions he could adopt that attitude if the need had arisen but here we are in a difficulty, that is not the case, and what you can do is to exhort people, to cajole, to phone them, to call them and so on but you cannot give directives because other people are involved because the matter has got to go to the Treasury, because the matter has got to go to the Deputy Governor, because the matter has got to be sent to London to see whether the Secretary of State approves and it is taken out of your hands and you have other things to do as well and the time comes when you say: "I had better get on with the things that I am able to achieve something on because I am wasting my time here", or there are good and genuine reasons as to why there are delays. That is by way of prefacing my remarks and now I want to go into rather more detail and explain and the Hon Mr Mor has given some indication of what the problem has been and what the delays have been but I think I can do so in rather more detail because I can ask that if I am going to be the one who is going to hold the can for the Government that at least they give me details as to what has been going on. I don't think that there can be any doubt that the question of part-time service was complex and difficult. It was a complex

matter because it was a departure from the Pensions Ordinance, it was something for which there wasn't and there isn't provision in the Pensions Ordinance so the matter has got to be analysed in detail and one of the first things that is required is a definition what constitutes part-time service and under what conditions are pensions for part-time service going to be given. It did require detailed study and that I can accept. But, finally, during the latter part of 1981, and it was after consultation with the Pension Adviser because a Pension Adviser had been engaged because we wanted to carry out a study of pensions legislation and we wanted to revise the Pensions Ordinance and introduce a new scheme and I think had it not been for the question mark cast over the economic future of Gibraltar by the Defence Review, I think we would have proceeded with a pension review because the Hon Mr Bossano must be aware of the detailed consultations that there were with the Staff Associations about what the Government was going to put into that new pension scheme. The matter was referred to the Pensions Adviser so that he would help the Government in arriving at a definition of what should constitute part-time service and what the conditions should be and let me say that the Government had accepted then and accepts now, that if no progress was going to be made on the general review the matter should be dealt with separately as, in fact, has been the case, the matter is being pursued separately. In March, 1982, the matter was referred to Council of Ministers for the first time and we agreed that part-time service should become pensionable and we agreed to the conditions that were to be attached. You may ask: "Didn't you say a moment ago that Ministers are not responsible, why did it have to go to Council of Ministers?" Well, at least if proposals are going to be put which are going to have financial implications, there is a requirement that Ministers should support the proposals because we are the ones that are going to have to vote the money here in the House and the legislation would have to come to the House.

HON J C PEREZ:

If the Hon Member would give way. Just a point of clarification, is the Hon Member saying that whereas the Pensions Ordinance is legislation passed by elected representatives, that any amendment to that legislation needs the approval of the administration and/or the Secretary of State in London?

HON A J CAÑEPA:

That is the position, absolutely.

MR SPEAKER:

With the consent of the Governor in accordance with the clauses of the Constitution.

HON A J CANEPA:

Yes, that is the constitutional position. The main conditions were the following: That part-time service of 18 hours per week or more, subject to certain conditions, should both qualify and reckon for pension purposes; that in the case of teachers, part-time service of less than 18 hours per week as may be approved by His Excellency the Governor and subject to other conditions, should both qualify and again reckon for pension purposes; another condition was that two periods of service of 18 hours per week or more should be treated as continuous if they are separated by a period of continuous part-time service of less than 18 hours per week. Then came the question of the date of application, how far retrospective should this be made and the Government view was that part-time service prior to the 1st June, 1972, should count at half its length and part-time service on or after 1st June, 1972, should count at its full length, I don't know what the reason is for that date. These conditions, as I say, were approved by Council of Ministers, they were then ratified by Gibraltar Council, the matter had to go to Gibraltar Council because that is the body where matters which are not of a defined domestic nature have to go to, in September, 1982. Then they were submitted to London and were finally sanctioned by the Secretary of State at the end of November, 1982. In February and in April, 1983, discussions were held with the Staff Side and it was not possible to reach agreement because in the first place they strongly objected to service prior to 1972 reckoning only for half length. The Staff Side also sought clarification as to how it was proposed to implement pensionability of part-time service of less than 18 hours per week in respect of teachers. In order to deal with the first point raised by the Staff Side and that was the question of length of service prior to 1972, it became necessary to identify all those employees who would be affected by the restriction of service prior to 1972 and thereby assess the practical and financial implications of lifting this condition, so they had to examine records. Then, finally, in December, 1983, as a result of that, revised conditions were submitted and were approved by the Government and these were as before with regard to 18 hours or more qualifying and reckoning for pension services; in the case of teachers, part-time service of less than 18 hours per week as approved by His Excellency the Governor should both qualify and reckon for pension purposes provided that the hours worked per week on a part-time basis are not less than the weekly hours that a teacher is normally required to work depending on whether regular attendance is for a full morning or a full afternoon. What that meant was that if a teacher has been for a number of years working mornings, let us say, in a primary school then it should be 15 hours a week. In a secondary school 17½ hours per week but if a teacher has been working for many years afternoons then it is

10 hours a week in that case. What it cannot be is 10 hours if it is a combination of mornings and afternoons. The other condition then was, similar to what I mentioned previously, that periods of service qualifying and reckoning for pension purposes under any of the two categories that I have mentioned should be treated as continuous if they are separated by a period of continuous part-time service of not less than 18 hours per week. Then there was another condition, a new condition - any periods of service prior to the enactment of the amendment to the pension legislation - this is a departure from the 1972 date - during which it could be established to the satisfaction of the Governor that an employee has been in effective service but in respect of which the reckonable hours cannot be ascertained from the existing records, should be determined by reference to the average weekly or monthly hours actually worked during the thirteen weeks or three months immediately preceding or following the period for which no records exist. It is a fact of life that for many years industrials, mainly, were being employed on a part-time service notably by the Education Department and by the Medical Department with an inadequacy of records. Don't ask me why but this is a fact of life going back, I think, to the 1950's and 1960's and I think mainly the reason is that records were not being centralised, today this does not happen, employment is centralised through the Establishment Division and records are kept but in the past the Department seemed to have a great deal of autonomy as regards who and how they employed people and it reached a situation that some people were actually being employed by more than one department and this was not generally known. So it is a historical fact and that is why the latest condition had to be introduced because of the inadequacy of records. These revised conditions were finally put to the Staff Side in March, 1984, and they were accepted by the Transport and General Workers Union and all the members of the Staff Associations Coordinating Committee with the exception of the Gibraltar Teachers Association because they did not accept the requirement that part-time service, in order to count for pensionability, should be restricted to those working either five full mornings or five full afternoons. They claimed that a combination of full mornings and afternoons should also count as pensionable service. Why the distinction? To my mind the distinction is this, where you have in a school a teacher working full mornings and another teacher working full afternoons so that the two together, in fact, amount to one full-time teacher, that has invariably been done in order to meet the exigencies of the service. If this is what the Department wanted, if this was OK as far as the school was concerned, fine, that should count for pensionable service but when it has suited a teacher to work certain mornings and certain afternoons then that is another matter altogether and that is why there is the stipulation that it should be His Excellency the Governor who should approve the part-time service for teachers because there could be instances where a teacher has a certain expertise and is teaching a

certain subject, for instance, Russian, where the requirements of the educational service are such that no matter what you do he can only teach six hours a week. In that case that is the requirement which the Education Department has and I think an argument could be adduced, whether it would be accepted or not, but I would adduce the argument that: "Well, look, if that is all he can do and for 20 years he is teaching Russian for six hours a week he should get a pro rata pension". The way to overcome also the difficulty regarding combinations of mornings and afternoons is, I think, for the Department of Education in consultation with the teachers to try to sort matters out so that, by and large, this does not happen and arrangements, in many cases I think can be made for the teachers to work mornings or afternoons and not a combination of both. That is the position, that the Director of Education has indicated that the schools are prepared to roster and to make arrangements in such a manner to ensure that no part-time teachers would be required to work a combination. A meeting was held earlier this month, on the 19th June, and the matter was put to the Staff Side, to the Teachers Association, and they have agreed to study the matter and a reply is now awaited. If a favourable reply is received, there is no reason why amending legislation should not follow. How long it will take for the amending legislation to be drafted, to be cleared with London, if it has to be cleared with London, and then to be brought to the House is a matter which is outside my province. But having explained the matter in some detail I thought that the Hon Member would realise that it is not a totally straightforward matter, that there are considerations which have led to the delays but nevertheless I share the view that it is a matter for concern, I would even say it is a matter for regret that it has taken so long for the matter to reach the stage that it has and I can wholeheartedly support the motion.

HON J EOSSANO:

Mr Speaker, I think the concern that we should feel as Members of the House must stem primarily from the point made by my Colleague, Mr Mor, that the credibility of the House is undermined by what appears to be a low regard on the part of the administration for the wishes of the House. If the House passes a resolution saying, "we want this dealt with as a matter of urgency", and nothing happens and let me say that the Minister for Economic Development may have been persuaded that this is a complex matter and that this requires a great deal of to-ing and fro-ing but I believe that to be a red herring. All this business of having to get the approval of the Secretary of State is so much nonsense because, in fact, it was quite obvious from the beginning that the claim that was being put for the pensionability of part-time service was not going beyond anything that had already been approved for the UK Departments in Gibraltar by the same British Government so that is all the case that had to be made to the Secretary of State, all the Secretary of State had to be told was: "We are amending part of our pensions legislation to bring it into line

with UK practice, with what UK civil servants get in UK and in Gibraltar". I do not see that it takes six years to get that message through and in fact when the expert came it was quite obvious that all the expert was going to do was to look at the UK Department's Pension Scheme and suggest amendments to the Gibraltar Government's Pension Scheme which would bring it more into line with that of the UK Departments and again we did not need an expert to come and tell us that, it was obvious, we had the information here. The 1972 date, the proposal that was put to the unions in 1983; in 1983 the Government after having studied this thing, came back and proposed to the unions that service prior to 1972 should count for half which means, effectively, that instead of the person who works part-time getting a part-time pension they would get half a part-time pension and, obviously, the unions rejected it and the argument for rejecting it was that the UK Departments had made service from 1949 count in full and prior to 1949 count in half and that all that the unions were accepting from the Gibraltar Government was equal treatment. The UK Departments, in fact, introduced in UK in 1972 what was and is still known as the Principal Civil Service Pension Scheme and that replaced establishment. In Gibraltar, agreement was reached in 1980 after eight years of negotiations, to introduce a scheme which was almost the same as the UK one known as the UK Departments Gibraltar Pension Scheme backdated to 1972. If we have got a situation where the UK civil service gets the Principal Civil Service Pension Scheme saying: "service of 12 hours a week is pensionable", it takes eight years to do the same thing for the UK Departments in Gibraltar and now we find that it takes six years to do the same for the Gibraltar Government employees and we are talking about the same thing, we are not breaking new ground, we are not introducing new principles, we are not having to establish whether it means a major disruption of public finance because in any case we are talking about a mere handful of people. The choice of 18 hours is quite arbitrary. I agree entirely with what the Minister for Economic Development says that if a person is regularly working six hours why shouldn't he get a pro rata pension for six hours and I certainly think that it is very unfair if service is not pensionable that it should be paid at the same rate as pensionable service because the Financial and Development Secretary knows that he is not entitled to a pension and that he gets a gratuity for his three-year contract in lieu of a pension because he is not pensionable.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On a point of information purely, Mr Speaker, that is not correct in my particular case.

HON J BOSSANO:

Well, other Financial Secretaries before him have done, Mr Speaker, because one in particular, I remember, came along to this House with an amendment to the Income Tax Ordinance shortly after he had raised the tax for all of us, to make his gratuity tax free which I took strong objection to if you will recall, going back to 1976, but if he is not in that category then I have no reason to know that he personally was not affected by that situation but there are expatriate officers in Gibraltar whose service is not pensionable and it is recognised that because it is not pensionable they need to be compensated for and we have the same thing with supply teachers. A supply teacher gets a higher hourly rate because the service of a supply teacher is not pensionable. Clearly, the principle is recognised that pensionable service has got a value attached to it and that people who are not eligible to have a pension approved for their service are entitled to a payment in lieu of their pensionability except in the case of part-timers. What we have is an omission in the Ordinance and an omission which was brought to the notice of people in the Government service because it was put right in the UK Departments following UK practice, so if we have got a situation where we are following UK practice where there are clear parallels, where there is a very small number of people, where everybody recognises that an injustice is done, where there is unanimity between Government and Opposition and we cannot get it done quickly, it doesn't, Mr Speaker, give grounds for much optimism of the prospect of things being done quickly in the implementation of the Tourist Report or in dealing with other major important issues. My recollection of this, Mr Speaker, is that whatever arguments may be put now about the complications and the need to go backwards and forwards and so forth, what really happened was that every six months or so I put a question in the House and every six months or so another move took place and something happened either just before or just after the question in the House and somebody rushed off and searched for the paper where they had left it last gathering dust. Apart from the important principles involved which I think must matter to us as Members of this House, apart from that, we have to recognise as well the great injustice, it is not just a matter of regret, the great injustice that is being done to people who have left Government service, who should be getting a pension already and should have been getting it already if the wishes of the House of Assembly had already been complied with and some of those people who, regrettably, may no longer be alive when the legislation is passed because we are talking about people who have retired already and the agreement is there. I remember, Mr Speaker, we had an argument in negotiations about paying the pensions to people who had left between 1972 and 1982 when proposals were being discussed about retrospective payment and after we had spent hours at meetings discussing it, I said: "Well, look, how many people are we talking about?" and we were talking about

five. It was cheaper to have done a collection in the meeting and paid the five pensions than to have spent any more hours in the meeting and I think this is what has to be understood, that it suggests an inertia in our machinery for getting things done which is really terrifying, Mr Speaker, and therefore I think and I hope that the fact that it is being brought here, and let me just make one final point, I think that the Minister for Economic Development said that proposals for teachers were with the GTA at the moment. I think that the position as far as I understand it is that the Establishment Section has accepted that if the GTA have got a special problem that affects the GTA and the GTA only, it should not be allowed to hold up the whole thing if agreement cannot be reached with the GTA. That is my understanding of the situation and I hope that that is understood and accepted by the Government, that an understanding has been given to the other unions that the only problem is the problem affecting teachers which is a peculiar problem which nobody else has because, in fact, I think it has always been the case, for example, with industrials in the Education Department, most of whom are cleaners, that they are not considered to be part-time and have never been considered to be part-time notwithstanding the fact that they do not do 40 hours because the nature of their employment is that they are not specifically employed for a number of hours, they are specifically employed to do a particular task and that particular task is paid for by measuring the area that has to be cleaned and therefore they are not considered to be part-timers because their service has always been considered full-time and pensionable although it may be in fact less than 18 hours a week, they may actually be working for less than 18 hours a week. I think the only outstanding area is the one of the teachers. We may be talking about one or two individuals and I think it would be criminal to allow that to hold up the treatment that the rest deserve and the treatment that the Government and the Opposition have for years been wanting them to have and I think we need to get on with the job.

HON G MASCARENHAS:

Mr Speaker, I concur entirely with what my Hon Colleague has stated a few minutes ago. This is a very complicated matter and I do admit to not understanding it fully but accidentally the other day I came to hear about it as a result of the motion by the Hon Robert Mor. I just want to reiterate what Mr Canepa has said a few minutes ago that the revised conditions were put to the Staff Side in March, 1984, and were accepted by the Transport and General Workers Union and all the members of the Staff Associations Coordinating Committee with the exception of the Gibraltar Teachers' Association. What I want to make clear is that the blame must not be apportioned entirely for the delay to the Teachers' Association because this has happened since March, 1984. On the

question of the GTA dispute on the matter of the hours and whether we should combine three mornings and two afternoons, I understand from the Director of Education that there is absolutely no problem for the Department to be able to fit in teachers mornings or afternoons on their own which would resolve the problem completely. I don't know whether the GTA will accept this or not but I want to make the point that not all the blame has to be apportioned to the GTA because it has happened in March, 1984.

HON J BOSSANO:

If the Hon Member will give way. Nobody is in fact saying that the GTA is responsible because out of the six years that we are talking about the GTA has only had the proposals two or three months. They might be responsible for the last three months of the delay at most but in any case what I want to make clear is that my understanding of the situation is that when the GTA reserved its position the other unions said that as far as they were concerned, and the GTA accepts that, and the Establishment said that that was acceptable to them and I think it is important that we should know that the Government understands that position, that there was no reason why the GTA should not carry on negotiating and discussing the position as it affects them which is peculiar to them and the amendment should be implemented for the rest so that at least the rest can get their pension. All the unions are agreed on that so there is no reason at all why a delay should affect anybody other than the GTA and the one or two people who may be affected, there is no reason at all.

HON G MASCARENHAS:

Mr Speaker, my understanding of the matter is that the GTA, this happened in March, 1984, that they would resent that the blame would be apportioned to them, this is what I am trying to get at and I do not want the blame to be apportioned to them because this happened in March, 1984, and this is the point I want to make.

MR SPEAKER:

I do not think anything has been said here to suggest that the GTA should be blamed for any delay. Are there any other contributors? I will then call on the Mover to reply.

HON R MOR:

Mr Speaker, since there hasn't really been any opposition as such to the motion, I cannot really say that I am exercising my right of reply but I would like to record that I fully appreciate all the problems the Government had, that this was a constitutional matter, that the Secretary of State was

involved, but it does not alter the fact that it has dragged on for ten years now and I think this is the important thing and if we look now and see what is holding up the agreement we find that it is just a simple question of one union involved with the Establishment. Therefore, I fully agree with my Hon Colleague that if one union is stuck with the Establishment then the others should go forward and agreement should be made with the others. As regards the Teachers' Association I really cannot see such a big problem in that area because the United Kingdom agreement which was made with the Government and the teachers, there it says that any contracted time is pensionable and I really cannot see why the Government should not make proposals on those lines. Thank you, Mr Speaker.

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

The Hon J L Baldachino
The Hon J Bossano
The Hon A J Canepa
The Hon M K Featherstone
The Hon M A Feetham
The Hon Sir Joshua Hassan
The Hon G Mascarenhas
The Hon Miss M I Montegriffo
The Hon R Mor
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 Zammit

The following Hon Members abstained:

The Hon E Thistlethwaite
The Hon B Traynor

The following Hon Member was absent from the Chamber:

The Hon Major F J Dellipiani

The motion was accordingly passed.

The House recessed at 12.40 pm.

The House resumed at 3.25 pm.

HON M A FEETHAM:

Mr Speaker, I beg to move the following motion standing in my name that: "This House views with concern the further cuts in MOD expenditure announced in the reduction in the role of the Royal Naval Hospital leading to the loss of twenty jobs, rejects the explanation that it was known publicly that the Royal Naval Hospital was due to close as part of the 1981 Defence Review and calls on the MOD to give a public assurance that there are no further cuts in expenditure in Gibraltar planned to take effect between now and 1988". Mr Speaker, I hope that Government does not view this motion as a motion which was not necessary to bring to the House because there are important implications arising out of the decision of the MOD in deciding to take the decision of making a reduction in the expenditure and jobs as far as the Royal Naval Hospital is concerned. It is important in the general framework of what is happening in Gibraltar as far as defence expenditure is concerned, it is important when one loses twenty jobs and I am convinced that the Government will agree that it is lamentable. However, a very important aspect of the press release issued by the MOD was that in fact this was known publicly in the 1981 Defence Review. Secondly, this side of the House was not aware and I am sure that Gibraltar was not aware that the Royal Naval Hospital was due for closure under the Defence Review. In bringing the motion we do so questioning whether the MOD has been misleading or has intended to mislead the people of Gibraltar in putting out the press release in the manner they have done so. However, it may well be that it may have been known to Government that the Royal Naval Hospital was earmarked for closure. It may well be, for example, that the Chief Minister may have known confidentially because he made it quite clear yesterday that he is, in fact, told everything. I do not wish to make an issue of that at all, I have only made that point because I think for a person who believes that there is a certain amount of confidentiality and it goes with responsibility but there is a time when it has to stop and there is a time that even though you may not break confidentiality there is a time to simply answer a question yes or no without going through the finer details of it and the Chief Minister chose yesterday in response to the Leader of the Opposition to simply make a general statement saying no to certain questions which were important and it is his prerogative

HON CHIEF MINISTER:

I didn't say no, I just didn't answer him.

HON M A FEETHAM:

He did not answer and that for me means a no. Anyway, I do not wish to get involved and I do not wish to draw the Chief Minister, I do not think it would be fair, he has made his

decision. Therefore I would welcome whether the Chief Minister knew because certainly we did not know neither did most of Gibraltar know that the Royal Naval Hospital was earmarked for closure and it is not good enough for the MOD to say now that it was due for closure but there has been a reversal of the decision and only twenty jobs are going to be affected. The third part of the motion calls for assurances whether the House has the right or does not have the right to demand an assurance from the MOD, that is something that within the general framework of the philosophy of both sides of the House, which I want to dwell on, can be debated and we can have a difference of views on it, there is no doubt about it at all. Why we have felt it necessary then to bring this motion apart from the implications of it is because in effect looking at the wider implications of what is happening to Gibraltar today there are clearly in the House two different philosophies and I have to bring to the notice of the House the debate which took place in February, 1983, which crystallised the philosophy existing between the Government at the time and the GSLP. I am sure the Chief Minister will defend that he had a perfect legitimate right to do so when he attempted to make great political capital because that is what we are in politics for, one likes to take advantage of what one may consider to be certain errors, when he tried to make great capital out of a press release issued by my Party on the 20th January where we took great exception to the fact that the consultants regarding the closure of the Dockyard made the point on the Bland proposals that the scheme proposed by Bland was not compatible with the essential requirements of the Base and the Chief Minister very ably took the line, and it was a very clever move at a very difficult time politically for the party in Government, that we were trying to question whether we should have a Naval Base in Gibraltar or not. He took exception and I think he made greater political capital, if I may say so, out of the fact that in one of the paragraphs of our press release we said that the decisions that need to be taken as to how Gibraltar's economic future is to be secured must be taken "exclusively from the point of view what is best for Gibraltar", and not what he said for a Naval Base which like the Dockyard could be here today and gone tomorrow. And the line that was taken by Government at the time was that because we were taking that political line which was in fact laying the framework for future development economically of Gibraltar, that we were putting at risk 1,100 jobs in the Naval Base and, of course, the Leader of the Opposition, at the time in minority in the Opposition, defended the party line quite ably and that was not our intention and it has been proved that the Naval Base could be here today and gone tomorrow and this reduction in jobs and the decision to do so without any consultation not even with the trade unions which is secondary, there should be consultation with the Government, but certainly no consultation with the unions because in fact I do not know how that decision came about because the employees who may have wished to have opted for redundancy payment under a voluntary scheme were not even given the

option to do so, is one further step in the British Government's policy of re-orientating the economy of Gibraltar as they see fit and it is clear that the message that we are getting now, and I say so as a Member of the Opposition who has very little difference of views with the Hon Minister for Economic Development. I think we concur a great deal with the policy that is emanating from the British Government that fails to understand that decisions which are taken which are going to affect us economically, decisions which are taken ought to be taken considering that Gibraltar has to completely change its economic framework and it is not good enough, for example, for the MOD to think that they have a right to make a decision without consultation because Gibraltar has been geared exclusively at the public sector in Gibraltar, our own source of revenue in Gibraltar has been geared to practically providing a service or living from a service that is geared towards a defence economy. And the changes that are taking place in Gibraltar require a complete reappraisal and that reappraisal must come about by a joint approach between the Government and the British Government and laying a framework for the future. It is no excuse at all for the MOD to have made this decision at a time when Gibraltar least expected it. I see somebody nodding his head. If it was to be expected that there was going to be a closure why didn't they say so at the time of the Dockyard closure that in effect there were more jobs that were going to be affected, more jobs than the 1,100 that it was alleged that we were going to put in danger because, in fact, Mr Speaker, if we look at the attitude of the changes that have taken place we find that it is all very well and good to be given the message that we have got to pay our own way and I am in total agreement and this side of the House is in total agreement that we may have to begin to pay our own way but equally I think that everybody else has got to begin to pay their way because it is only jointly that we are going to be able to get Gibraltar out of the economic problems that we have. So by stating, for example, that the British Government is solidly behind the people of Gibraltar as regards sovereignty does not in any way respond to the changes that are taking place economically. We have had the Dockyard closure, we have had a cutdown on the foreign service allowances which have affected us economically, we have had a reduction of the RAF personnel, we have got a problem whether we like it or not and I think both sides of the House are in agreement as regards future ODA and the way the ODA programme was handled, we have had cuts in the PSA/DOE expenditure and we have had a total lack of real will to support any changes in the relationship between Gibraltar and the EEC to give us an opportunity to get ourselves out of this economic chaos that we are faced with not because of our fault. And so we have brought this motion to the House first of all because we wanted to crystallise that our analysis of the situation was correct, they can be here and gone tomorrow, that we agree we may need to pay our own way but, equally, there is a responsibility on the MOD to respond to the needs

of Gibraltar by adequate consultation and that in fact if we are going to get ourselves - this is another example - that if we are going to get ourselves out of the enormous economic problems that we have, our party stands by its policy that we will need to ensure that all the resources which are available are not determined by the military establishment, it cannot be, Gibraltar will not prosper if we are not allowed to develop our economy in conjunction with them but not totally dependent and geared by military thinking and that in effect if we are both going to pay our own way that we should begin to think in terms of quantifying the cost of the Base and that we should begin to be adequately compensated for this. This does not mean, Mr Speaker, that we are questioning whether we should have a Naval Base in Gibraltar or not and as the mover of this motion, I do not think there is anybody in this House who is more committed to British institutions because not only do I come from a family that has got military traditions whether I like it or not, I have, I have been educated in the United Kingdom and my trade union role has been based on British trade unionism and I am totally committed and so is this party totally committed to Western defence but that does not mean that if we are going to pay our own way it means that the British Government have got a right or the Ministry of Defence has got a right in not making the contribution that is necessary to enhance our economy and pay our way in the world. If I were the Chief Minister I would be concerned, unless he has got the answers, as regards future MOD expenditure cuts because if he hasn't then I think that his policy of confidentiality, of being the man of confidence of the British Government, could very well put him in a position of being a prisoner of his own doing at the end of the day and I hope that what is left over for the rest of us to pick up is something that we at least have got an opportunity to build on. I hope, Mr Speaker, having said that, that there will be support for the motion because in trying to put one's feelings and one's views over we are in many ways trying to support the difficult problems that Government have. Nobody on this side of the table fails to recognise that but I do not think we ought to allow the MOD or anybody to run away with the idea that we can continue to be natives who have no control whatsoever over their own economy, Mr Speaker.

Mr Speaker then proposed the question in the terms of the Hon K. A. Feetham's motion.

HON CHIEF MINISTER:

Mr Speaker, I am grateful to the Hon Mover for the one or two kind references he has made to me and to my Colleagues and I would like to tell him when he said: "If I were Chief Minister I would be concerned". Well, gladly, you do not know what it is to be Chief Minister in these circumstances because it is a matter of continuing concern and the heaviest possible

responsibility and it would have been the easiest thing in the world for me, after nearly forty years in public life, to have gone home and pass the buck on to other people but it is because they are difficult years and because I think I can make a contribution and so do at least 6,644 people, that I stood for election and let me say that it is no pleasure to have to preside over a Government at a time when this big change is coming and some of which we ourselves, either confidentially or whatever, we do not know what Spanish entry into the EEC is going to mean to us at all. There is a big question mark, I did not want to make any reference this morning but I can assure you that Baroness Young did tell me very positively that she could understand the uncertainties, the worry that people have about the uncertainties of the future because they are all uncertainties and they are all factors which are outside our control. But let me first of all disabuse the Mover on the question of confidentiality about which we spoke yesterday. Heseltine has not got a hot line to me to tell me how many frigates he is going to allow or whether he is going to allow the Chief of Staff to have the power to order materials or anything. I have sometimes advance knowledge or notice of what is going to happen but insofar as the MOD is concerned that has nothing to do with what I was speaking about yesterday, I was speaking yesterday purely about advising the British Government on the conduct of her foreign affairs insofar as it relates to Gibraltar. I do not want to talk about that any more, I said it yesterday, but I wanted to tell the Hon Member that there is no question of whether this was known to me, in fact, we have been making research in the office and we have resources to do that, we have been making enquiries and unfortunately in the time available we have not been able to establish whether there was - and I will come back to that in my substantial contribution - whether there has been or there has not been a statement that the Royal Naval Hospital was going to close down. I do have a faint recollection of The People newspaper publishing something about that and a letter from the Admiral about it. I have not been able to see it, I did not have enough time, they spoke about cuts in the Naval Hospital and there was a letter from the Admiral, I have seen the cuttings.

HON J BOSSANO:

I think the Hon Member is mistaken. I think the Admiral, in fact, wrote to the newspaper about the cuts in naval personnel in the Base and I raised the question subsequently in the House of Assembly and, in fact, the Government admitted that they had not been forewarned about the cuts in the Naval Base, that the cuts had not been taken into account by the consultants and that that strengthened the Government's hand in any future representations.

HON CHIEF MINISTER:

I am trying to recollect because, as I say, I have not had time to make the research but I am not certain now. First of all, that would not be the sort of thing that would be told to me and not told publicly and then the commitment of the naval authorities to publish as was anticipated. We have tried, I can assure Hon Members opposite, and I will pursue it and I will report either here or publicly or to the Hon Mover if we find something that justifies it. He has not attached much importance to it, I am glad to say in a way, but he put it in, I suppose, for safety's sake but, anyhow, that is one small aspect. We on this side of the House entirely agree with the Mover that the cuts in MOD expenditure in Gibraltar are to be viewed with concern inasmuch as they affect Gibraltar's economy which is already suffering major difficulties and blows, of course we are concerned. I would like to be able to tell the Hon Member that I am more concerned because I have the responsibility to deal with it but who is to measure concern in matters that affect everybody in Gibraltar? Nobody can be the judge of concern, all I can tell the House is that we are very concerned. Perhaps in the nature of things we have sometimes more information, not secret information, but information in the course of dealing with it which make us more concerned. If I told the Hon Member that this afternoon I have received a letter that has worried me very much, it has nothing to do directly with this, I would say, well, this is an on-going concern. We cannot emphasise enough the fact that when everybody suffers and everybody is likely to be affected, nobody has got the patrimony or the exclusiveness of being concerned or worried and the closer you are to the problem the more you are concerned and if you are the chap who is affected by the cuts you are the most concerned so this is a matter which doesn't need repeating but for the sake of the record I am saying it. We believe that every effort should be made to persuade the MOD to maintain in Gibraltar as substantial a presence as possible and consistent with their own requirements, the requirements of NATO and the requirements of the defence of Gibraltar itself. This was one of the reasons why I proposed the motion on the 22nd February, 1983, which reaffirmed that the Gibraltar Government wished the Naval Base in Gibraltar to continue. The Hon Mover has talked about a clever move, well, if he says it was clever it must have had some merit but it was not a political one, it was because we were concerned that anything said by other responsible parties even though at the time in the minority, could be interpreted as a negative approach to the presence of the British Base and as the Hon Member has said, it was prompted by the GSLP motion on the Naval Base. It seemed to me then that it had to be reasserted that we wanted the Base for the people that it employed and for what it represents. After all, the only safeguard of the people of Gibraltar against passing to the hands of people we do not want to pass under, is the fact of the British presence

in Gibraltar and that anything hostile to that presence is hostile to the United Kingdom and that is why I made so much stress on the question of the Base and our policy on this one is quite consistent. We need the MOD presence in Gibraltar and the MOD needs Gibraltar. I often say that there is, apart from any question of requirement of support and sustain, there is a coincidence of interests between us and the British Government and I say this because consistently all officers of the highest rank that go through Gibraltar which we have quite a number passing through from time to time, make no secret of telling me and this is not on a confidential basis because they say so at press conferences and so on, that they attach the highest importance to the British presence in Gibraltar so let us not think only that what is being done for us is being done for us for our own sake, there is an element of coincidence of interests and that is very valuable and let us hope that that continues and that can only continue if there is a friendly people who want that to be the case, it does not continue with a hostile population. The British Government has got the obligation to stay where they are wanted if they have created that situation but they are equally very anxious to clear off from where they are not wanted. We have no choice apart from anything else. I think it is in our mutual interest to accommodate each others requirements through consultation and cooperation as far as it lies within the ability of each of us to do so without detriment to the respective essential requirements of the other. One important example that has been created in respect of this joint interest is following on the Dockyard agreement, the Joint Consultative Council of the Government and the Services on the user of land which I propose and which took a little time to get agreement on and is now at the highest level in Gibraltar doing very useful work in identifying the requirements of each other. The question of the Royal Naval Hospital, I think, we ought to put in its proper perspective. The motion rightly states that the reduction in the Hospital role will lead to a loss of twenty jobs and the press release states that this was in three or four years and this is perhaps the weakest, perhaps because it is the latest of the cuts, to warrant a motion though the Hon Mover has enlarged it rather with which we entirely agree. But to mention in a motion twenty jobs which is very important for the twenty people concerned over three or four years, at the time of widespread unemployment in many parts of the world of loss of jobs, I think it is a bit of overreacting when you are talking in terms of six or seven jobs a year in the next three years but that part of the motion we will support because any one job is a concern and we do not want it said that we do not share with those who are likely to be affected the concern that is expressed in the motion. I know that there have been others and it is the cumulative effect which is a matter of concern in this particular case, if it were not because of what has happened before this would have been purely an internal matter of adjustment. But this is a matter, really, where the MOD thinks it can achieve economies by concentrating their Hospital service within one wing and without curtailing that service but,

really, if you look at the rest of the motion can you really tell them: "No, you must not dispose of jobs that you do not need". Indeed, were it not for the fact that in Gibraltar's peculiar circumstances at present this would in most cases do more harm than good, we ourselves ought perhaps to be doing some streamlining in certain areas but if we were to get involved in that in order to create economies we would be making the economy worse. That part of the motion though it deals with a small matter in terms of numbers compared to the sort of things we have been discussing here over the year, will receive our support. The next point is where the motion says that we should reject the explanation that it was known publicly. As I said before, I am having this matter investigated and I will make public what information I am able to make but we cannot be a party to that statement until we have established the facts and let me say just for the record also that it is no part of Gibraltar Ministers to defend the MOD. We have here castigated the MOD when it has been necessary and therefore what we are trying to do is to put the matter in its proper perspective. And, finally, on the third point, I was intrigued about the year 1988. I can tell you without any hesitation that there is no Minister, no Cabinet, nobody in the United Kingdom who can give the assurance you want that there won't be cuts between now and 1988. I am sure the British Government would be delighted to be able to say that in respect of themselves, never mind in respect of Gibraltar. I think that part of the motion is really unrealistic. I thought that 1988 had been chosen by the Mover in the hope that by 1988 they would be in Government and would be able to bring everything to a change and there would be no need but I can now understand that he was referring to the life of this legislature, I appreciate that. At the beginning, knowing the Hon Member's tactical approaches sometimes, I have known him for some time, I thought he was saying: "Well, we will put this thing right in 1988". Well, I hope that in 1988 whoever is here will be able to put things right, I hope we on this side of the House will be able to do so. But I think it is really a little pressing on the prestige of the House to try and expect Members of the Government to agree to a statement such as "public assurance that there are no further cuts in expenditure in Gibraltar planned to take effect between now and 1988". I am sure that in the MOD they will say: "We have nothing planned for 1988 as yet in many areas and woe the day that we come to that not only in Gibraltar but somewhere else", having regard to the changes in the nature of defence. We are positive, we agree to the spirit of the motion insofar as the House should collectively do what it can to avoid further cuts to take place in MOD expenditure in Gibraltar but we cannot achieve that by seeking an assurance that we are not going to get anyhow. We must act in two other ways. First of all, we must ensure through the deliberations, as the Hon Member has said, a joint approach between the Gibraltar Government, the Ministry of Defence that there is indeed JCC consultations, that the best possible arrangements are made for the future in

the practical interests of the people of Gibraltar for the future use of that part of the Royal Naval Hospital which is to become surplus to MOD requirements. The second way in which we can make a positive contribution is to make every possible effort to diversify the economy and strengthen the private sector in the way of Dockyard closure and of other cuts in MOD expenditure. I know the Leader of the Opposition knows about that, he wants a very big public sector which he can control but the public sector is shrinking whether he likes it or not, the public sector is shrinking, and it is shrinking out of a result of MOD requirements worldwide and we have to look elsewhere. I was somewhat disappointed that yesterday's statement on tourism did not produce at least a word of encouragement from the Opposition.

HON J E FILCHER:

If the Hon Member will give way. I think the Hon and Learned Chief Minister is referring to the stand taken by the GSLP on the tourism side. I must remind the Hon and Learned Chief Minister that, in fact, we did give the Government the assurances in the last House of Assembly that we would do everything in our power not to stand in the way of tourism. What he did yesterday was give us a statement which we did not have time to digest and obviously once that stage passes then we cannot come back to the statement.

HON CHIEF MINISTER:

First of all, I am very grateful, I apologise if my understanding yesterday was wrong. I am very grateful but not to stand in the way is one thing and supporting is another so you have been cautious with your words so we have to realise that, too. We think, talking about that, that the Opposition have a role to play in activating the private sector. I know it does not arouse much enthusiasm in certain sectors of the party, I appreciate that, I have already mentioned the reasons, but perhaps we hope that with performance and with results they will be more encouraged, a little encouraged as I am now on the intervention of the Shadow Minister for Tourism, he must believe in it otherwise he could not be Shadow Minister for Tourism otherwise we would be in the same position as those people who have been elected to the European Parliament who do not believe in Europe. Anyhow, having said all that, Mr Speaker, I do not propose to change any words in the motion but I really must move that all the words after "jobs" in the fourth line be deleted, we could not be a party to that. First of all, the one factor which we do not know and, secondly, the commitment is not likely to be responded and could put the House at a disadvantage. If that is acceptable to the Hon Members then we would be happy that "This House views with concern the further cuts in MOD expenditure announced in the reduction in the role of the Royal Naval Hospital leading to the loss of twenty jobs". Really, that is the gist of the motion. Thank you, Mr Speaker.

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

HON J C PEREZ:

Let me say, Mr Speaker, that it is regrettable that the Government should not consider it necessary that these assurances should be called for from the Ministry of Defence. The situation that we are facing is one where there is a Government elected by the people that is being given the responsibility of planning an economy and that the basis of the foundation of that economy or of that plan, if there is any, is being weakened every time by further cuts from the MOD which is put upon us without giving notice whatsoever. The assurances that were being called for were assurances and the date of 1988 is significant in that we are being told by Baroness Young that we should be grateful for the help that we are given from the British Government, that in the light of the Government and in the planning that there has to be and in the future economic outlook that one has to make, that there should be this assurance because in the same way, and I accept the Hon and Learned Member's view that he has not got a hot line to Mr Heseltine because Mr Heseltine has important matters in a very big Ministry, but in the same way as he has his responsibilities for his Ministry the Government of Gibraltar have their responsibility to the people of Gibraltar and the Government of Gibraltar stood on an election platform of building an economy on two pillars - one was tourism and the expansion of the private sector, and the other one was the Shiprepair yard and by not asking for that assurance what the Government is saying that it could be, that if everything worked fine which we in this side of the House don't think is going to happen, if everything worked fine and we have a situation where the MOD continued with its cuts, that the programme and that the policies of the Government cannot be carried out because of that. The MOD or Mr Heseltine has the responsibility to his Ministry and to his electorate and we have a responsibility to our Ministries and to our electorate and what we cannot have is a situation where we have to keep adapting our economic philosophy to suit the needs of the MOD. The MOD have the right like the Hon and Learned Member said to reduce jobs which they do not need but they have also a right to give enough notice so that if we need to adapt our economy accordingly, that we can do it with enough time and perhaps with enough help because our economy has been orientated on an MOD presence in Gibraltar and if that is to be reduced we need enough notice and we need enough help because as the Hon and Learned Member said the MOD is receiving something in exchange for its presence. It is not here solely to help the people of Gibraltar but it is because it wants to be here and it is because it is using Gibraltar and we are not receiving - I wouldn't say we are not receiving the benefits - but we are not being given enough time to adapt to their changes. The other thing I would like to say is that although the Iberian Report

the reasons for these cuts perhaps are not updated in the Iberplan Report, the effects of these cuts, of the rundown of the MOD in Gibraltar, is spelt out clearly in the Iberplan Report and although it is a long time ago that that Report was done it makes very interesting reading today because the effects of the rundown of the MOD in Gibraltar were spelt out inasmuch as it said that this would reduce the standard of living of the Gibraltarians and the Report was based solely on an opening of the frontier and on the economic integration of the territory in relation to an open frontier. I am not saying that this is the reason but the effects of it are spelt out and they are very dangerous in a situation where we have got Spain joining the EEC, we might have a normal frontier situation and we might have a very, very dangerous situation. I regret that the Hon and Learned Chief Minister has not been able to support the motion fully on the question of the assurances and if I may just say briefly, on the question of "rejects the explanation" perhaps, Mr Speaker, because I remember more about newspaper reports than maybe other Members, I can bring light to the situation by saying that in fact the Hon and Learned Member was right, there was a mention of the Royal Naval Hospital in the Admiral's letter to the newspaper The People because the article of the previous week had suggested that with the rundown of MOD presence that the next thing that could be affected would be the Royal Naval Hospital and he assures The People in the letter he wrote to the paper that this was not the case and that is why we feel that if a public announcement has been made by the Admiral that this was not the case then we should reject the explanation that it was known publicly because, in fact, when it was brought out by a local newspaper publicly it was rejected by the official sources. Thank you, Mr Speaker.

HON J BOSSANO:

Mr Speaker, I think the House cannot really accept as an explanation that not enough time has been available to the Government since notice was given of the motion to establish whether the closure of the Naval Hospital was announced publicly in 1981 or not, I would have thought if it was announced publicly in 1981 it was something the Chief Minister could not forget. There are a number of pieces of circumstantial evidence showing that it was not publicly known. There is the fact that when it was speculated in the local press, as my Colleague Mr Perez has said, the Admiral wrote back saying that this was causing unnecessary concern to people in the Naval Hospital and there was nothing in it, it was just pure speculation. Perhaps the most important thing from the point of view of the official documentation available to the Hon and Learned Chief Minister and to the Government is the reports of their own consultants. They appointed consultants in 1981 to assess the impact of the Defence Review in Gibraltar, the effect of job losses, and amongst that assessment was not included the loss of jobs from the Hospital closure so, clearly, the Hospital closure was not envisaged in that Report and was not taken into account by the Government.

HON CHIEF MINISTER:

If the Hon Member will give way. I am not saying that that is not the case at all. I am saying that in the time available and if I may say so we have enquired even from the Navy but the people who should be able to help us were not available. There is a statement made by the MOD and we are not saying that it is true or false, the point is we have no evidence on which to support the denial or to approve it. I have left it pending in that respect. In that respect we cannot find any evidence one way or the other. I agree that if there had been a positive statement it might well be easy to have found it, we have searched and I say quite clearly we have found nothing but that is not the end of the road as far as we are concerned because the people who issued that statement must justify themselves to us. That is my point.

HON J BOSSANO:

I am grateful for the Hon Member's intervention, I accept that he is not saying that in seeking to remove the part of the motion that

HON CHIEF MINISTER:

No, I did not say that. I said it was uncertain.

HON J BOSSANO:

It was uncertain, that is right, this is like when I was asking the Government previously at question time, Mr Speaker, about the case relating to the Customs, the answer of the Hon and Learned Attorney-General was 'not proven'. Well, not proven does not mean guilty and does not either mean innocent, it means whatever you want it to mean and I accept that the Chief Minister is not saying that he accepts that it was publicly known or that he rejects that it was publicly known. He says that there is no evidence that it was publicly known, on the other hand, there is no evidence that it was not publicly known.

HON CHIEF MINISTER:

There is no evidence that it was made public in the statement, which requires a little inquiry. There is an allegation.

HON J BOSSANO:

There is an allegation that it was publicly known but it is clear that it was not known to the Government of Gibraltar because the Government of Gibraltar in assessing the impact of the review on the economy of Gibraltar did not provide for

an effect of the closure of the Naval Hospital and that is a valid argument for the Government. The Government should be saying to the MOD: "Look, if you are saying it is publicly known" - without us having brought the motion - "well, it certainly was not publicly known to me and it was not publicly known to the experts we brought out from UK and it was not publicly known to the consultants", and I think the importance of this, Mr Speaker, and let me say that there is an almost conclusive piece of evidence. I have got a photocopy of a letter here sent on the 4th April to two employees of the Royal Naval Hospital, 4th April, 1984, signed by Surgeon-Captain Hersey, the Medical Officer in Charge, saying: "I regret that your application for voluntary redundancy cannot be accepted because unfortunately you are not employed in one of the fields of redundancy", on the 4th April, 1984, so how could they have announced in 1981 that they were closing it if three years later the man in charge of the Hospital didn't know it? I do not know what other research one needs to do but what I am saying is that irrespective of any of that, from the Government's point of view, the Government I think has got a case in its favour for saying to the British Government, I mean we in the Opposition have said the £28m package is not the answer but we went to an election accepting that having agreed that level of aid, there was no mileage in saying to people: "We are going to go back and ask for more money", but if that level of aid has been agreed on certain premises and the premises are incorrect or they are changed, then I think the Government has got a case. The Government has got a case to say the Naval Hospital cutback was not part of the original effects of the 1981 Paper, the cuts in the size of the people employed in the Naval Base which I brought in a question to the House and the Government accepted they have not been taken into account because I went back to the Report myself and I looked up at the number of UK based servicemen and civilians that were going to be removed as consumers from our economy and in the number that were going to be removed was not included the figures that the MOD had made public were going to be leaving Gibraltar between now and 1986. So if the consultants made certain recommendations and if the Government prepared a strategy to deal with a situation produced by a cutback in defence expenditure and they go to the British Government and the British Government accepts the principle that in the case of Gibraltar because we are not self-governing, because we cannot send the bill for our unemployed to a central government like they have done in Chatham and Portsmouth, because our economy has been geared to meeting defence needs over the years they cannot simply say: "Oh, well, it is uneconomic now to keep the Naval Hospital so we are closing it". They accept a responsibility to try and help the Government of Gibraltar to find something to substitute for what is being removed from the economy. They have accepted that principle in providing money for the commercial dockyard. We do not think the money is enough, we do not think the commercial dockyard is going to work but we think one thing is clear, that the Government is embarked on a

strategy for which they have received a mandate for four years and that the Government has got the right to go to the British Government and say: "Our strategy which we fought an election on a couple of months ago and won and got a mandate for is based on the assumption that Defence expenditure is going to stay at its present level. Changes in that are a new element in the equation for which we can no longer take the responsibility because we are not taking it into account". If they had been announced in 1981, well, then we could not have a motion saying that we are concerned that they are reducing twenty jobs, we ought to be glad that they are restoring fifty which is what the press release said that instead of closing down and losing seventy jobs it was only going to be reduced in size and retain fifty out of the seventy. If that was the case then, obviously, the whole motion would be nonsense. The first part of it is only valid because the second part is valid. If the explanation that it was publicly known in 1981 that it was going to be closed was a valid explanation and, in fact, instead of closing it they are now keeping it open on a reduced scale, then the House should not be concerned about the cut of twenty jobs, the House should be glad about the restoration of fifty. I think I have already dealt with the latter part, I think the Government may say that the people in the MOD do not know what is going to happen in the future, it is quite obvious because in fact on the 4th April the Medical Officer in Charge of the Naval Hospital did not know what was going to happen in June. There is no question about them knowing but I think that the Government of Gibraltar has got a strong case to put to the British Government of saying: "Look, we are planning a strategy which is based on an assumption that in 1985/86 we are going to have so much money coming from the private sector and so much money coming in from the commercial dockyard and so much money coming in from Defence expenditure and if you start reducing Defence expenditure and we have not taken that into account then the figures will not work". I think they are entitled to do that. They are entitled to do that because in fact they are defending more than we are that the Ministry of Defence should have priority in the use of resources. The motion that the Chief Minister brought to this House in February, 1983, which I opposed and which I tried to amend unsuccessfully, was giving the MOD priority, putting their interests first and therefore if anybody has got a right to demand as a quid pro quo from the MOD assurances and guarantees it is the Chief Minister more than anybody else and therefore I think he ought to support the motion because it is a motion that should strengthen his hand in his negotiations with the British Government.

MR SPEAKER:

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

HON CHIEF MINISTER:

Mr Speaker, the Hon Mr Perez who spoke to the amendment, there is nothing which he said with which I do not agree about enough notice and enough help and enough time. Of course we want that and we keep on asking for it. Unfortunately, the terms of the motion are phrased in such a way that we cannot agree to its terms but that we need notice, we need time and we need help, I think has been made quite clear, not just to the latest visitor to Gibraltar but from the very beginning of the White Paper in June, 1981. We have been urging that and I can assure Hon Members that, I don't know, it is very difficult to say, I would imagine that but for the fact that I have been able to use as much, I do not want to claim any credit but I think some redundancies have been avoided as a result of strong representations behind doors and therefore I need time and I need help and we need notice so in that respect I do not dispute the sentiments of the Hon Mr Perez but that does not take me into the area of having a public assurance that is going to be worth very little in passing because nobody will give it to us. If we said: "a public assurance that before any other cuts are taken notice should be given so that we can adjust our economy" and so on, that sort of thing, yes, but "public assurance that there are no cuts before 1988", I don't think anybody in the United Kingdom, I don't think any Ministry, any Department, any Minister, even the Prime Minister if she wanted to give that assurance would not be able to do so at all particularly in the area of defence and particularly with a Government that is set on the purchase of very expensive modern weapons of destruction which puts everything else even the pay of men into insignificance and that is a reality, that is why we cannot do so, it is not because we do not sympathise with the sentiments about seeking assurances, it is because we cannot accept the wording as it is, that is all.

Mr Speaker then put the question in the terms of the Hon the Chief Minister's amendment and on a division 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 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 R Mor
The Hon J C Perez
The Hon J E Pilcher

The following Hon Member was absent from the Chamber:

The Hon Major F J Dellipiani

The amendment was accordingly passed.

MR SPEAKER:

If there are no further contributors I will ask the Hon Mr Michael Feetham to reply.

HON M A FEETHAM:

Mr Speaker, I think enough has been said to crystallise the thinking of both sides of the House on this. There is one point that I want to make emphasis on and that is the remark by the Chief Minister as regards the views of this side of the House on the matter of the private sector and that perhaps we place too much emphasis on the public sector at the expense of the private sector and I think we have been quite clear in our philosophy on the private sector. There is a sharp contrast because when I asked the Hon Minister for Economic Development whether he would give a progress report on the Think Tank which he had set up, he said that it was something private, his own thing, it was something about getting ideas together and that he didn't have to report to us because he didn't think it necessary and I respect that. Our thinking on the private sector is much more fundamental than that. We said in our manifesto and it is party policy and let us be quite clear about that, we have said and we said in our manifesto that within six months of taking up office we would draw up a three-year economic plan with specific targets for economic growth and we said that this national economic plan would be drawn up after detailed discussions with the business community and they would be invited to join in and that was a definite commitment for the private sector.

HON A J CANEPA:

Mr Speaker, the Hon Member is introducing new matters which we are unable to reply to.

MR SPEAKER:

I was directing my mind to that but I wanted him to develop what he was saying before I called him to order.

HON M A FEETHAM:

With respect, Mr Speaker, I am just trying to reply to the remarks of the Chief Minister that implied that we were not giving importance to the private sector, that for us the private sector was not within our philosophical thinking. Having cleared that I think that there is nothing more to say, Mr Speaker.

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

ADJOURNMENT

HON CHIEF MINISTER:

Mr Speaker, I formally move that this House do adjourn sine die.

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

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 4.45 pm on Wednesday the 27th June, 1984.