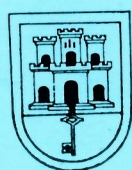


GIBRALTAR

HOUSE OF ASSEMBLY



QUESTIONS AND ANSWERS

Meeting of
15 January 1985
1 to 67

NO. 1 OF 1985

ORAL

THE HON J BOSSANO

Does Government consider that the absence of a charge in respect of working capital in the Funded Services is consistent with the policy announced in 1978, when they were set up, of producing accounts showing the true costs of these services?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the point underlying the Hon Member's question was one of a number of related issues considered when the finances of the Funded services were put on a different footing in 1976. It was decided that neither the accumulated deficits in the Funds nor any advances of working capital, to meet short term fluctuations in cash requirements, would be converted into capital debt. While it is true that the decision in effect not to charge interest on working capital, or capital debt, could be construed as an understatement of the costs of running these services, there were good reasons for taking that decision at the time and the Government has not considered it necessary or desirable to change its policy on this matter in the interim.

SUPPLEMENTARY TO QUESTION NO. 1 OF 1985

HON J BOSSANO:

Can the Hon Financial and Development Secretary, Mr Speaker, tell us what those good reasons were?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker. I think perhaps I should explain for the benefit of the House that I think the points the Hon Member had in mind that the interest should be charged to the Funded Services because the value of bills issued and credited to the Funds for which cash has not been received, in fact, represents an advance from the Consolidated Fund to the individual Funds. The reasons for the decision are really this, that, strictly speaking, it would be necessary to calculate that interest by reference to daily balances and that would be a virtually impossible task because of the nature and the volume of the transactions. One could perhaps apply the interest to the end of year balances but that, again, would overstate the interest and produce an inaccurate result because of the substantial fluctuations in receipts and payments throughout the year.

HON J BOSSANO:

Mr Speaker, isn't it a fact that in some instances money that has been used for running costs has resulted in an interest charge. For example, in the case of the amount advanced in respect of the running of the Waterport Power Station by Hawker Siddeley, there were sums of money there provided through supplier finance and there you had a situation where, in fact, the working capital in the Electricity Fund carried an interest charge?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I am not quite sure I understand the Hon Member's point. The expenditure incurred in connection with Hawker Siddeley was a proper charge on the Fund and has been brought to account in the annual accounts.

HON J BOSSANO:

Mr Speaker, what I am saying is, isn't it a fact that when the Waterport Power Station was being operated by Messrs Hawker Siddeley part of the running costs of the Station were in fact charged as a capital cost although it involved working capital in the sense that it was part of the running of the Station and not part of the building of the Station and that part of it that was charged in that way which was dealt with through the Improvement and Development Fund and supplier finance carried an interest charge so, in fact, it has been done in I think it was in 1982/83 and it is so commented in the Auditor's Report, isn't this the case?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The details of it, possibly because it was in 1982/83 and I was not here at the time, elude me but I will certainly look into the Hon Member's supplementary and I undertake to give him an answer on that point.

HON J BOSSANO:

Is the Hon Member aware that the Coopers and Lybrand Study on the finances of the utilities pointed out that the absence of a charge on working capital was contrary to the policy announced by the Government of showing true commercial accounts for these utilities?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker, in general terms, I accept that the Report by Coopers and Lybrand did, amongst other things, comment on the financing of the Funded Services and I think, speaking from memory, it was pointed out in that Report that they were in some respects at variance with normal accounting practice, I think I would accept that. The Government has recognised that because of the nature of

consolidation and management of the Funded Services as part of the Government, this has a risk and it is conscious of the various points including those I have mentioned to the Hon Member where the accounting is not in accordance with standard commercial practice, I think I would accept that but, as I have said, there are good reasons for the variations.

HON J BOSSANO:

Mr Speaker, would the Hon Member not accept that the nature of the reasons that he has given are that there are practical difficulties in carrying out the policy and not that there are policy decisions contrary to showing true accounts?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think we could probably debate this for a long time, Mr Speaker. I am going to make one final comment that I think the areas of the questions raised by the Hon Member is only part of the general problem. One could conceive of the Funded Services as individual Services set up as nationalised industries, perhaps on the UK model, and had they been established in that way then I think that the capital debt would have been determined and interest would have been charged by the exchequer, the Gibraltar exchequer or the Consolidated Fund in accordance with the normal relationship, the arms length relationship between a Government, an exchequer, and a nationalised industry but for historical reasons and I think because of the size of Gibraltar and the limited resources at the Government's disposal, it has been done differently in Gibraltar.

HON J BOSSANO:

Mr Speaker, does the Hon Member not agree that it is a sound policy in the allocation of resources that one should have an accurate idea of what the use of resources in one direction as opposed to another is costing the community irrespective of how it is funded or financed? Would the Hon Member not agree with me that policy making in the allocation of resources requires accurate accounting?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

As an idea naturally I would subscribe to that.

HON J BOSSANO:

Would the Hon Member not agree then that he must make an effort to achieve that in respect of the Funded Accounts?

MR SPEAKER:

It doesn't follow that there is no other way that it can be done which would give the same results. Next question.

NO. 2 OF 1985

ORAL

THE HON J BOSSANO

Does the fact that the recent Loans Empowering Ordinance limited the extra public borrowing to £10 million in the period 1984-1988, mean that this is the amount Government expects to be in deficit by in the period 1985 to 1988?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, during the Second Reading Debate on the Loans Empowering Ordinance I said that the Government saw a need for deficit financing within the range of £5m to £10m over the next two to three years. There is nothing further I can add to what I said then.

SUPPLEMENTARY TO QUESTION NO. 2 OF 1985

Mr Speaker, is it Government's intention to reserve the use of the money raised as a result of this Ordinance purely to meeting deficits on recurrent expenditure or is part of the money to be used for capital investment?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The money is intended primarily for use in meeting Government deficits, Mr Speaker.

MR SPEAKER:

Next question.

NO. 3 OF 1985

ORAL

THE HON J BOSSANO

Can Government state how much of the forecast reserves of £3.7m in the Consolidated Fund Balance for 31st March, 1985, is anticipated to consist of arrears of revenue?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, I expect the figure of arrears for the various funded services at 31st March, 1985 to be substantially less than the figure of arrears at 31st March, 1984. While it is not possible to forecast precisely what is in effect a balance on a single day, I would be disappointed if the reduction compared with 12 months ago were not between £½m and £1m.

SUPPLEMENTARY TO QUESTION NO. 3 OF 1985

HON J BOSSANO:

Mr Speaker, will the Hon Member give the answer to the question on the Order Paper and say how much of the £3.7m he expects to be arrears?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I cannot give an answer in precisely the terms which the Hon Member has invited me, Mr Speaker, because he has really only outlined what is one half of an equation, namely, the balances in the Consolidated Fund and, indeed, the balances available to the Government from the various funds under its management. I think I understand his point and that is that if the figure of outstanding unpaid bills were to be higher than the figure of reserves in the Consolidated Fund, that might suggest to the uninitiated, and I would personally not wish to include the Hon Member as one of those, it would suggest to the uninitiated that the Government was running out of cash and that of course is not true because although a figure of £4m might be owing to the Consolidated Fund in the form of unpaid bills, shall we say, on the various Funded Services at any one time, one must also take into account the balances which are owed by the Consolidated Fund and these, of course, are shown in the accounts. At the 31st March, 1984, the figure of balances owed by the Consolidated Fund, that is to say, the creditors balance, was about £3½m. In other words, the Government's liquidity position on this access to cash resources is determined both by debtors and creditors to the Consolidated Fund and that is why I cannot answer the Hon Member's question in precisely the terms in which he posed it.

HON J BOSSANO:

Mr Speaker, is it not true that the Hon Member cannot answer my question because he doesn't want to say what he knows to be true and will he confirm.....

MR SPEAKER:

Perhaps the word is correct and not true.

HON J BOSSANO:

Well, I am saying he doesn't want to say it, Mr Speaker, I am not saying that he is saying a lie, I am saying he is omitting to say the truth and therefore is it not a fact that on the basis of the answer that he has given it means that at best the Consolidated Fund Balance net of unpaid bills will be nil?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, because the net of unpaid bills, that is to say, the Government's net liquidity position is the net of the overall debtor and creditor position of the Government and I think, if I may answer the earlier part of the Hon Member's supplementary, I have not attempted to mislead the House, I have given what is my best estimate at this particular point in time based on the most recent information I have of arrears of revenue which is how I see the figure of outstanding bills at the end of the year, an improvement on last year.

HON J BOSSANO:

Is the Hon Member aware that his understanding of how the Government's reserves have to be presented and explained is totally contrary to the policy adopted by the Government consistently until the setting up of the funded accounts in 1977?

MR SPEAKER:

All you have to answer is whether you are aware or not.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Thank you, Mr Speaker, in that case I should say I am not aware but I doubt very much whether it was as stated.

HON J BOSSANO:

Then does the Hon Member know that until the setting up of the Funded Services the Consolidated Fund Balance or the general revenue reserves as it was then known, consisted of the amounts

net of any arrears of revenue and that throughout that period the amounts net of arrears of revenue in the general revenue balance was considered to be prudently kept at a level of between two and three months of recurrent expenditure? Is he aware that that was Government policy until 1977?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am aware that prior to 1976, Mr Speaker, the accounting arrangements for the Funded Services were on a different footing from those on which they are now.

HON J BOSSANO:

I am not talking about a different footing, Mr Speaker. I am asking the Hon Member to give clearcut answers and not avoid the issue. Does the Hon Member accept that the situation today is that by the criteria defended and presented by his Government in this House for years, the Government has got no reserves now, by those criteria, does he accept that that is true?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, many developments have taken place in Gibraltar over the last ten years and I think if one were to examine all of them one would find many respects in which views have changed in each changing circumstances.

MR SPEAKER:

Next question.

NO. 4 OF 1985

ORAL

THE HON J BOSSANO

What is the level of deficit to be covered by borrowing which Government now considers financially prudent as a percentage of estimated annual expenditure?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, during the Second Reading Debate on the Loans Empowering Bill I pointed out that Gibraltar debt charges compared with annual Government spending on the one hand, and the total of public debt compared with annual GNP on the other, compare favourably with those of the developed nations, let alone less developed countries which generally have a far higher level of debt.

SUPPLEMENTARY TO QUESTION NO. 4 OF 1985

HON J BOSSANO:

Mr Speaker, would the Hon Member be kind enough to answer the question?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I thought I had answered the question, at least implicitly, Mr Speaker. If the Hon Member is asking me to say what level of deficit, per se, the Government must not go above rather in the sense of "will you stop beating your wife?", then I think I must say that this must be determined in the light of circumstances. During the Second Reading debate I did and, indeed, in answer to questions on the subject I pointed out that the deficit for 1984/85 would be of the order of £4m and on present prospects it was likely that there would be a deficit of that order in 1985/86. Certainly, I would be seriously concerned if that figure were to increase. I would hope that, if possible, the Government would be able to reduce that figure. I cannot anticipate what will be contained in the Government estimates which will be presented to the House in the near future, but I certainly could not commit myself to an ex cathedra statement of what level of deficit is to be considered financially prudent. I can give the Hon Member broad indications, I can compare the Gibraltar situation with, for example, the public sector borrowing requirements in the UK which is about 10% of public expenditure, £140 billion are the parameters there, but I am not going to commit the Government to a precise figure.

HON J BOSSANO:

Mr Speaker, is there a Government policy now which is totally

different from Government policy in the past and is this part of these changes that the Hon Member was referring to recently which now says that it is no longer financially prudent to balance the budget, it is now financially prudent to run deficits of the order of £4m a year forever more, is that the new policy?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, again I think I must refer the Hon Member to the comments I made during the reading of the Loans Empowering Ordinance. I do not want to distress the House unduly by going into great detail, I see that you would rather I didn't do that, but I referred to the measures of control over Government spending which have been taken; there is the severe restraint over Government spending and I can assure the House that the Government intends to maintain those controls and that is the Government's policy.

HON J BOSSANO:

Mr Speaker, the Hon Financial and Development Secretary does not appear to be aware that this is a totally new policy and I am trying to establish what it is. Will he say whether now the Government is committed to a philosophy of running annual deficits and that this is now considered, for the first time, financially prudent, that is the policy?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, that policy in terms has certainly not been formally adopted but I have given as much information as I can.

MR SPEAKER:

Next question.

THE HON J L BALDACHINO

Can Government state what is the value of the stock of Government dwelling houses based on (a) historic cost of construction, (b) current replacement cost; and further state under which of these two valuations are the said buildings covered by the Government Insurance Fund?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the replacement cost of the Government's housing stock was estimated at £124 millions a few years ago. As I stated in reply to Question No. 93 of 1984, the value of the Government Insurance Fund on 31 March, 1984, was £800,000. There is no relationship between these two figures. The housing stock is not covered by insurance.

SUPPLEMENTARY TO QUESTION NO. 5 OF 1985

HON J L BALDACHINO:

Mr Speaker, according to the revised estimates of 1983/84 on the Housing Fund a contribution was made from that Fund to the insurance of Government Housing. Has that policy now stopped because in the 1984/85 estimates there is no contribution but prior to 1984/85 the Housing Fund used to make contributions for the insurance of Government housing?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think in 1983 direct insurance cover was obtained for a few assets considered vital for the running of the Government's essential services but not to the best of my knowledge for the housing stock, it has certainly not been the policy to insure the housing stock but if the Hon Member could give me precise figures of what it is that he has determined which gives him the contrary impression, I will certainly look into it for him.

HON J L BALDACHINO:

Mr Speaker, part (a) of my question has not been answered by the Hon Member which is what is the historic cost of construction?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am afraid that is not a figure I could give, Mr Speaker, I don't have that information and I do not think it is particularly relevant, it is replacement cost which is more relevant.

HON J L BALDACHINO:

Mr Speaker, the figure I was quoting before, which is £59,800, appears on Appendix 'D' of the Housing Fund and it is expenditure under the heading of 'Insurance of Government housing'.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I thank the Hon Member for giving me the reference and I will certainly look into it for him.

HON J BOSSANO:

Does the Government have a ratio of the value of houses to the cost of the cover which they have used in the past in deciding how much should be charged to the Housing Fund?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If the Hon Member is talking about the Government housing stock I do not think that would be particularly relevant. Subject to my clearing up the point which the Hon Mr Baldachino has raised, it is not Government policy to insure its housing stock.

HON J BOSSANO:

Mr Speaker, doesn't the Hon Member know that it has always done that until this year? Every previous year it has been done.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Not the housing stock.

HON J BOSSANO:

Is the Hon Member not aware that there was a study carried out at great expense by consultants and as a result of that study the Government increased the contribution to the Government Insurance Fund to £100,000 a year and that the proportion allocated in respect of Government houses came to something like 60% of the total premium, is he not aware of that and that this has been going on for years?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry, obviously I am misinformed, Mr Speaker, and I will look into the matter.

MR SPEAKER:

Next question.

NO. 6 OF 1985

ORAL

THE HON J L BALDACHINO

Will Government confirm that the proceeds of sales of Government flats will be credited to the Improvement and Development Fund?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Sir.

SUPPLEMENTARY TO QUESTION NO. 6 OF 1985

HON J L BALDACHINO:

Mr Speaker, as I understand it, the sale of Shorthorn Estate has now been finalised. Will the money be credited to the Improvement and Development Fund in the current financial year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If the sale has been completed and the monies have been received before the end of the financial year the answer is, yes, Mr Speaker, otherwise the rest will be credited in the following financial year.

MR SPEAKER:

Next question.

NO. 7 OF 1985

ORAL

THE HON J L BALDACHINO

Can Government state whether they have received any payments in respect of the sale of leases for pre-war properties put to tender for modernisation for home owner occupation?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Sir, £5,000 was received in 1982/83 and £12,850 in the current financial year. The monies are credited to the Improvement and Development Fund.

SUPPLEMENTARY TO QUESTION NO. 7 OF 1985

HON J L BALDACHINO:

Mr Speaker, is this the correct payment that the Government should have received because I presume that in the context of the sale of the leases it must have conditions where the buyer had to pay a certain amount of the money on a pre-determined date.

HON A J CANEPA:

There are a number of payments, Mr Speaker, which are indeed outstanding. Perhaps I should also add that in some cases, of course, the purchasers have opted to pay a rent instead of a premium but there are a number of payments which are outstanding for a number of reasons. Initially, problems arose in finalising the leases because the banks were insisting on standard leases being provided by the Government and that particular problem was not resolved until November, 1983, and then the fact that we were being somewhat accommodating in that we were allowing prospective purchasers to take possession of the properties prior to the lease having been executed also meant that their ability to resist through their solicitors the individual leases which the Crown Lands Department was proposing, was increased considerably. If they were allowed to go in and they were allowed to get on with the work they had less of an incentive to come to terms in negotiating the individual leases. The current policy now is that we require the tenderers to place a 10% deposit and to agree to a lease before possession is granted and then the balance of the premium will be payable on execution of the lease once that is approved by the solicitors and by the bank. There is a considerable amount of money due to Government which is outstanding.

HON J L BALDACHINO:

Let us see if I am correct in assessing what the Hon Member has

said. That in the past the leases were not finalised until once the tenderer had bought the house and that policy has now changed and before issuing the leases

HON A J CANEPA:

Before possession we now require that the lease be executed.

HON J L BALDACHINO:

Mr Speaker, the Hon Member said that the money received from such payment will be credited to the Improvement and Development Fund. Will that money be solely used for building houses?

HON A J CANEPA:

Well, first of all, I do not think we can go very far with the £17,850 that we have collected up until now but this is part of an on-going policy and I have other questions to answer later on on the Order Paper which I think are relevant and, obviously, what the Government would like to do as a matter of policy is to generate funds that will enable the Government to keep up some momentum on the building of new housing.

MR SPEAKER:

Next question.

NO. 8 OF 1985

ORAL

THE HON J C PEREZ

Mr Speaker, will the Financial and Development Secretary state whether the income tax paid to the Government as a result of payments to Hawker Siddeley has been charged to the Electricity Undertaking Fund as proposed in the Principal Auditor's Report for 1982/83?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, as I stated in reply to Question No.96 of 1984, the liability to income tax has been established and the matter has been settled. Neither the Accountant General nor the City Electrical Engineer has received any notification from the Commissioner of Income Tax on this matter.

SUPPLEMENTARY TO QUESTION NO. 8 OF 1985

HON J C PEREZ:

Mr Speaker, if the Hon Member has read all that occurred in Question No. 96 of 1984, I did ask in a supplementary: "Does that mean that the tax has been charged to the Electricity Undertaking Fund?", and the Hon Member in answer said: "I think the answer to that is, yes, and this was in fact proposed by the Principal Auditor but I would have to check". This was in October and I am asking this question because I would have thought that the Hon Member would have checked already.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have, in fact, looked into this matter as the Hon Member has just suggested and I am sorry if my silence may seem discourteous to him but I regret that I am not able to give him any further information as to the company's tax situation because the company's tax situation as indeed that of any other company or individual is something which the Commissioner is prohibited from divulging under the secrecy provisions of the Ordinance.

HON J BOSSANO:

What company is the Hon Member referring to?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Hawker Siddeley.

HON J BOSSANO:

Mr Speaker, what we are asking is has it been charged to the Electricity Undertaking Fund, it has nothing to do with any company.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I explained that the Accountant General and the City Electrical Engineer have had no instructions to that effect from the Commissioner of Income Tax and that is as far as I am prepared to say.

HON J C PEREZ:

Mr Speaker, but the Principal Auditor proposed it and in answer to Question No. 96 the Hon Financial and Development Secretary said, yes, that that was the case, that the Principal Auditor proposed it. He says that the sum of money has been paid, we are asking if it has been charged to the Electricity Undertaking Fund.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I am sorry, I hesitate to interrupt but I did not say that it has been paid, I said that the liability to income tax has been established and the matter has been settled to the satisfaction of the Commissioner of Income Tax.

HON J BOSSANO:

Mr Speaker, is the Hon Member saying that the proposal put by the Auditor, accepted by the Accountant General which he thought in October had been implemented has been implemented or has not been implemented, which of the two has happened?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The suggestion by the Principal Auditor has been 'implemented', Mr Speaker, that is to say that the matter has been settled to the satisfaction of the Commissioner of Income Tax.

HON J BOSSANO:

We are not interested in how satisfied the Commissioner of Income Tax is, Mr Speaker, we are interested in information which is what Question time is about and when we take the quotes away from implemented, does implemented still mean implemented or does it mean something else?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It means that the tax liability has been settled and that as far as the charging to the Electricity Undertaking Fund that matter has also been disposed of. As I have said, the Commissioner of

Income Tax has not issued any instructions to the Accountant General or the City Electrical Engineer and that is as far as I am prepared to state.

HON J C PEREZ:

Does the Hon Member accept that if there has in fact been a charge to the Electricity Undertaking Fund that will appear in this year's estimates?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry, I am not prepared to say any more because of the secrecy provisions of the Income Tax Ordinance, Mr Speaker.

HON J C PEREZ:

Mr Speaker, the question is quite clear, whether it has been charged or not; if it has it will appear in the accounts so it cannot be subject to the secrecy of the Income Tax law and everything else, if it has been charged it will appear, if it hasn't the answer is no.

MR SPEAKER:

I know the frustration of Members of the Opposition in that perhaps they are not getting the answers they would like to have but there is no way that either the Members of the Opposition or myself can force a Minister or an ex-officio Member to say more than they feel entitled they can say so I do not think we are going to get any further. Next question.

NO. 9 OF 1985

ORAL

THE HON J BOSSANO

Can Government confirm that Spanish frontier workers currently are not eligible for personal allowances under Sections 20, 21 and 22 of the Income Tax Ordinance in respect of income tax in Gibraltar whereas British Subjects in the same position are so entitled and if so, is it Government's intention to continue this practice?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Spaniards who may be currently working in Gibraltar are not eligible for personal allowances unless they are ordinarily resident. If by Spanish frontier workers the Hon Member means individuals who may be coming in daily and returning home at the end of the day these individuals are not deemed to be ordinarily resident for the purposes of the Income Tax Ordinance. However, Section 23, subsection 3 of the Income Tax Ordinance provides that rules may be made so that a non-resident individual can become entitled to the deductions, allowances and reliefs set out in Sections 19B, 20, 21 and 22 as if he were resident in Gibraltar. The matter is being considered by the Government,

SUPPLEMENTARY TO QUESTION NO. 9 OF 1985

HON J BOSSANO:

So, in fact, the Government is not in a position to say whether they intend to continue with the practice or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is still under consideration, Mr Speaker.

HON J BOSSANO:

It is, in fact, correct, Mr Speaker, from the answer the Hon Member has given to say that British Subjects in the position, ie British Subjects who are commuting daily into Gibraltar do get the allowances?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That is correct, Mr Speaker.

HON J BOSSANO:

Is the Government satisfied that the current position would be

acceptable under EEC Rules as between two EEC nationals in the same situation?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I do not think that the EEC dimension is a relevant one here, Mr Speaker, because there is no tax harmonisation as regards individual countries tax regime but I take the point underlying the Hon Member's comment.

MR SPEAKER:

Next question.

NO. 10 OF 1985

ORAL

THE HON J BOSSANO

Can Government explain why it first took them over a year to reply to the claim for pension rights for its industrial workers and that having had new proposals from the workforce on November 22nd, 1984, they have not yet replied?

ANSWERTHE HON THE ATTORNEY GENERAL

Mr Speaker, it is obvious to me from reading these papers over the weekend that there has been some delay in dealing with this matter. The delay has been such that even before this question was put down on the Order Paper Council of Ministers had asked for a report to be submitted at an early date together with an explanation for the delay.

I am looking into the matter and I will inform the Honourable Leader of the Opposition at an early date of my findings.

SUPPLEMENTARY TO QUESTION NO. 10 OF 1985

HON J BOSSANO:

Does the Government accept that there is every reason to expedite this since it is, in fact, something that is Government policy and a Government initiative?

HON ATTORNEY-GENERAL:

Indeed there is and I believe the Hon Minister for Economic Development and Trade on the motion when it was introduced in the House expressed the urgency that Government placed on this matter. As I said, Council of Ministers is concerned at the delay.

HON A J CANEPA:

Mr Speaker, there is indeed every reason to expedite the matter but we are coming into some difficulty and that is that the unions that represent non-industrials do not seem to be very happy with the proposals which the Government has put to them.

HON J BOSSANO:

Mr Speaker, does the Government accept that in the case of the industrial workforce they had a reply within a matter of a week or two and in fact there has been no response at all?

HON A J CANEPA:

Because of the reasons that I have just mentioned but I think if the union that represents industrial workers employed with the

Government were to come up with a clearcut statement in respect of their attitude, I think the way would be much clearer for perhaps the Government to proceed, if necessary it might have to be without agreement from the non-industrial unions.

MR SPEAKER:

Next question.

NO. 11 OF 1985

ORAL

THE HON R MOR

Mr Speaker, will all MOD employees presently working in the Gibraltar and Dockyard Technical College be transferred with the College when Government assumes control?

ANSWERTHE HON THE ATTORNEY GENERAL

Mr Speaker, the Government and Ministry of Defence are still in correspondence regarding the transfer of the non-industrial administrative staff of the College.

The persons concerned consist of one Clerical Officer and one Typist.

No decisions have yet been taken regarding the transfer of the industrial staff.

The Vice-Principal's contract will be extended and he will remain in his post until the end of the current academic year. Thereafter he will be replaced by a local appointee.

SUPPLEMENTARY TO QUESTION NO. 11 OF 1985

HON R MOR:

Mr Speaker, does Government accept that they have a moral obligation to accept all employees who are in the Gibraltar and Dockyard Technical College?

HON ATTORNEY-GENERAL:

I believe there are some problems with the industrial staff, Mr Speaker. Government hope to resolve this at an early date. When I asked when that early date was I was told it was within the next month that decisions will be taken on the industrial staff but there are problems.

HON R MOR:

I do not think the Hon Member understood my question. My question was whether it is the Government's policy to accept all the employees in the College?

HON ATTORNEY-GENERAL:

I couldn't go that far, as I say the problem is on the industrials as I understand it, that is the only problem.

HON R MOR:

Mr Speaker, doesn't the Government feel that they have a moral obligation that there are people working in the College and that if the Government refuses to accept them as employees that some of them could well end up unemployed?

HON ATTORNEY-GENERAL:

Whether it is a moral obligation I cannot speak for the Government, I can speak of the legal obligations but I believe the only problem arises with the industrial staff and Government is considering the matter and there should be a decision at a very early date.

HON G MASCARENHAS:

I will be giving a statement in reply to Question No. 55 and perhaps the position might be a little bit clearer from that statement.

HON J L BALDACHINO:

As I understand it, the problem arises with the industrial staff, in other words, the clerical officer and the typist the Government will be taking them on once the whole thing is finalised.

HON J BOSSANO:

Mr Speaker, I cannot understand why it is that they choose to number the questions in the way that they do and then they put one question down as No. 14 and the other one as No.55 and ask us to wait for the forty intervening questions, why not answer the two now?

MR SPEAKER:

You have always been a patient man. Next question.

NO. 12 OF 1985

ORAL

THE HON J L BALDACHINO

Mr Speaker, can Government state how the rents for Government Quarters are calculated?

ANSWERTHE HON THE ATTORNEY GENERAL

Mr Speaker, as from 1st July 1984 the rents for Government Quarters are calculated as follows:-

The first 800 sq ft at £110 per 100 square feet per annum.

The next 500 sq ft at £82 per 100 square feet per annum.

The next 500 sq ft at £77 per 100 square feet per annum.

The remainder of the area at £71 per 100 square feet per annum.

SUPPLEMENTARY TO QUESTION NO. 12 OF 1985

HON J L BALDACHINO:

I am grateful for the answer of the Hon and Learned Attorney-General. Is the calculation the same as for any other Government flats?

HON ATTORNEY-GENERAL:

I have got the rentals, it depends on the Estate. I have the rents per square foot per annum for the various Estates. It is a long list.

HON J L BALDACHINO:

Mr Speaker, what I am interested in is if the calculations are exactly the same for Government Quarters as they are for Government flats?

HON ATTORNEY-GENERAL:

The different kinds of Quarters on the list that I have.....

HON J L BALDACHINO:

Maybe if I can expand further. What I am saying is if the Government Quarter was a Government flat could the rent be exactly the same or could it be less or could it be more?

HON ATTORNEY-GENERAL:

If it becomes a Government Quarter it is calculated in the way that I have said. If it remains part of the Government housing stock for the general members of the public, it is calculated in a different way.

MR SPEAKER:

The question you are being asked is what relation has one to the other?

HON ATTORNEY-GENERAL:

It depends entirely on the Estate, it is probably more. For example, a pre-war flat without a bathroom is cheaper.

MR SPEAKER:

What is probably more? The Government officers' quarters are probably more?

HON ATTORNEY-GENERAL:

Yes.

MR SPEAKER:

Next question.

NO. 13 OF 1985

ORAL

THE HON J E PILCHER

Can Government state what will be the annual salary of the new Director of Tourism and whether he will be paid any allowances over and above this salary?

ANSWERTHE HON THE ATTORNEY GENERAL

The annual salary of the new Director of Tourism will be £17,489 plus an Overseas Inducement Allowance of £4,000. In addition both the basic salary and the overseas inducement allowance will attract a 25% tax free gratuity payable at the end of his three year contract.

SUPPLEMENTARY TO QUESTION NO. 13 OF 1985

HON J E PILCHER:

Mr Speaker, is the new Director of Tourism being allocated a Government house and if so, is that rent free, and electricity and water and everything else?

HON ATTORNEY-GENERAL:

No doubt he will be allocated a Government house if it hasn't already been done but certainly it won't be free of rent, the rents are quite high and the electricity and water is quite high, too.

HON J BOSSANO:

The Hon Member said that 25% gratuity will be paid on the salary and the allowance. Am I right in thinking that the gratuity itself will not be liable to income tax and will the allowance be liable to income tax?

HON ATTORNEY-GENERAL:

No, Mr Speaker.

HON J BOSSANO:

The allowance will not either.

MR SPEAKER:

Next question.

NO. 14 OF 1985

ORAL

THE HON J C PEREZ

Can Government confirm that the consultants engaged in 1972 to consider the electricity supply recommended that the special tariff for ex-City Council properties should be discontinued and if so, what steps has Government taken to give effect to this recommendation and when?

ANSWERTHE HON THE MINISTER FOR MUNICIPAL SERVICES

No, Mr Speaker. No such consultants were engaged in 1972.

SUPPLEMENTARY TO QUESTION NO. 14 OF 1985

MR SPEAKER:

Is the first no in answer to the fact that no consultants were engaged or to the fact that the recommendation was not made?

HON J B PEREZ:

The question is in two parts. First of all it says: "Can Government confirm that the consultants engaged in 1972", and, secondly, ".... what steps has Government taken to give effect to his recommendation and when?" The answer is quite simple. No consultants were engaged in 1972 and therefore in 1972 no recommendations were given.

MR SPEAKER:

With respect, the question takes for granted that consultants were in fact, engaged in 1972.

HON J B PEREZ:

And the answer is no.

MR SPEAKER:

Next question.

NO. 15 OF 1985

ORAL

THE HON J C PEREZ

Is Government still of the opinion that interruption to the electricity supply, such as was experienced during the Christmas festivities, will not be a permanent feature of the electricity service in Gibraltar?

ANSWERTHE HON THE MINISTER FOR MUNICIPAL SERVICES

Mr Speaker, a press release issued at the time when the falling frequency protection system was put into service expanded on the manner in which the system was designed to reduce the probability of a total system blackout.

A further release issued on the 27 December 1984 explained the sequence of events and in particular the shutting down of the healthy set because of the overload registered.

Subsequent investigations confirmed that the overload relay operated correctly and in accordance with the manufacturers published information. It has therefore become necessary to adjust the settings of the falling frequency protection system to allow for a slightly faster response. This will allow load to be shed more rapidly and reduce the possibility of the second set shutting down.

Additionally, work is being carried out so as to reinforce the communications systems and to improving the black-start facilities at King's Bastion. This is aimed at providing a more repaid restoration of supplies.

Action has therefore been taken so as to reduce the possibility of a recurrence and also to avoid the operational difficulties experienced on that occasion.

It would be unrealistic to give a cast-iron guarantee that power failures will never occur. What can be truthfully said is that action has been taken to reduce the possibility of a total failure of supply and will be supplemented by measures to allow for more rapid restoration. It is on the strength of these measures that Government is of the opinion that interruptions of the type which occurred during the Christmas Festivities will not be a permanent feature of the electricity service in Gibraltar.

SUPPLEMENTARY TO QUESTION NO. 15 OF 1985

HON J C PEREZ:

Mr Speaker, since presumably what is being done is reducing the risk of further interruptions in the future, may I ask the Hon

Member how many power cuts a year he would consider would be a permanent feature of the electricity service?

MR SPEAKER:

No, I cannot allow that question.

HON J C PEREZ:

But, Mr Speaker, we were told in Question No.50 of 1984 that this method was going to be introduced to prevent this. The method has worked quite well up to ^{now} and there have been problems and the Hon Member has said that this will reduce the risk of it happening again.

HON J B PEREZ:

Mr Speaker, it may help the Hon Member. The problem is that the answer is quite a lengthy one and obviously he cannot digest it but I did say: 'It has therefore' - because of the power cuts that we had - "become necessary to adjust the settings of the falling frequency protection system to allow for a slightly faster response". That is to avoid what in fact happened.

HON J C PEREZ:

To try and avoid it.

HON J B PEREZ:

Well, the measures which have already been taken are to adjust so that the load is shed rapidly and therefore there shouldn't be any power failures.

MR SPEAKER:

Next question.

NO. 16 OF 1985

ORAL

THE HON J C PEREZ

Is Government in a position to state whether the Council of Ministers has now taken a policy decision on the study of the Telephone Service Fund?

ANSWERTHE HON THE MINISTER FOR MUNICIPAL SERVICES

Mr Speaker, Council of Ministers has already considered the study of the Telephone Service Fund but has not yet taken a policy decision on this matter. The Government is presently conducting negotiations for a new shares agreement for international calls. The outcome of these negotiations will have a direct bearing on the policy that Government takes.

SUPPLEMENTARY TO QUESTION NO. 16 OF 1985

HON J C PEREZ:

Does the Hon Member expect that a final decision will be taken before next year's estimates and if there are any changes to charges as a result of the decision, will that be reflected in next year's estimates?

HON J B PEREZ:

The answer to both questions is yes, Mr Speaker.

MR SPEAKER:

Next question.

NO. 17 OF 1985

ORAL

THE HON J E PILCHER

Is Government now in a position to state whether the qualifications obtained by an apprenticeship undertaken by persons with Gibraltar Shiprepair Limited are recognised outside Gibraltar?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Sir, I have been unable to obtain any additional information beyond that given by the Hon Financial and Development Secretary in reply to Question No.110 of 1984. We have been in touch with GSL on this matter and I will provide the Hon Member with such information as we have been given.

SUPPLEMENTARY TO QUESTION NO. 17 OF 1985

HON J E PILCHER:

Mr Speaker, perhaps the term 'outside Gibraltar' is a very general term but hasn't the Government even approached the authorities in UK to see whether the apprenticeship is valid in the UK?

HON DR R G VALARINO:

Mr Speaker, Sir, now that the question has been put to me I will endeavour to find out whether the qualifications obtained by an apprenticeship will be accepted in Gibraltar and would be recognised outside Gibraltar.

HON J E PILCHER:

I hope he is more efficient than the Financial and Development Secretary.

MR SPEAKER:

Next question.

NO. 18 OF 1985

ORAL

THE HON R MOR

Mr Speaker, can Government state which of the two conditions:

- (a) ordinarily resident in Gibraltar, or
- (b) 104 weeks of insurance contributions since 2 July, 1970

as a requirement for the full higher rate of benefits, is contrary to EEC legislation?

ANSWERTHE HON MINISTER FOR LABOUR AND SOCIAL SECURITY

Sir, neither of the two conditions is contrary to EEC legislation inasmuch as they apply to nationals of all countries and are therefore not discriminatory.

However, EEC legislation provides that periods of insurance and/or residence completed by an EEC National in any Member State count as if they were completed in any other Member State. The provisions in question do not therefore apply to EEC Nationals residing in any other Member State.

SUPPLEMENTARY TO QUESTION NO. 18 OF 1985

HON J BOSSANO:

Is this condition the one that produces a situation where workers who left Gibraltar at the closure of the frontier are getting a reduced pension?

HON DR R G VALARINO:

Yes, Sir.

HON J BOSSANO:

And if the conditions are not contrary to EEC, can the Minister explain why the reduced pensions cannot continue after Spain joins the EEC? Now that the Hon Leader of the Opposition has asked the question I will look into the matter fully and I will get back to him probably this afternoon with a full answer.

HON J BOSSANO:

Mr Speaker, the Government have been advised that the distinction in the payment of pensions could not be continued once Spain joins the EEC because to do so would be contrary to EEC Regulations.

How could they have been told that without being told which EEC Regulations we would be contravening?

HON ATTORNEY-GENERAL:

I think it would be EEC Regulation 1408/71.

HON J BOSSANO:

Mr Speaker, if by continuing the present system we would be in contravention of Regulation 1408 then how is it that in the original answer to the question the Hon Member says that neither (a) or (b), which are the two conditions, are in contravention of 1408?

HON ATTORNEY-GENERAL:

It is not contrary to EEC law for residence qualifications for higher benefits. On the accession of Spain into the European Community, Regulation 1408 will apply in full to nationals of the Kingdom of Spain. As soon as Spain accedes to the Treaty Regulation 1408 will apply to Spanish nationals, at the moment it doesn't.

HON J BOSSANO:

I accept that, Mr Speaker, but is the Hon Member saying that conditions (a) and (b) referred to in Question No. 18 are in conflict with 1408?

MR SPEAKER:

No, what would be in conflict, from what I understand, is to pay a different rate between members, in other words, if our rate is higher we have to pay the higher rate.

HON ATTORNEY-GENERAL:

EEC law requires a specific period of contributions to get maximum benefit and these two sections refer to getting the maximum benefit and therefore you have got to pay a certain number of contributions in order to get the maximum benefit.

HON J BOSSANO:

Mr Speaker, is it correct to say that the current legislation which includes this condition is not in conflict with 1408?

HON ATTORNEY-GENERAL:

No, it isn't in conflict with 1408.

HON J BOSSANO:

Therefore if it is not in conflict with 1408 can the Hon Member explain to me why when 1408 applies to Spaniards it will be in conflict? Can't he explain it or he doesn't understand the question, Mr Speaker, which is it?

HON ATTORNEY-GENERAL:

I don't understand the question.

HON J BOSSANO:

Let me try, if you will allow me, Mr Speaker, to explain. Our understanding of the situation is that the Government has been advised that when Spain joins the European Economic Community the distinction in pensions which exist now as a result of these conditions in our legislation can no longer be applied to Spanish nationals because Spanish nationals will then come under the requirements of Regulation 1408. My question is, if the fact that they come under the requirements of 1408 means that this cannot be applied to them it must be because this is in conflict with 1408. If this is not in conflict with 1408 for the other 300 million Europeans, can the Hon Member explain why it will be in conflict for the Spaniards and has to be changed for them?

HON DR R G VALARINO:

Mr Speaker, I think what the Hon Member is trying to establish is whether there is any point in retaining these conditions after Spanish accession.

HON J BOSSANO:

No, Mr Speaker, not whether there is any point. Will the Government be able to retain these conditions or will it be in conflict with Community law?

HON ATTORNEY-GENERAL:

The way I am advised is that these conditions are not in conflict with Community law. To get the higher benefit you require a higher rate of contributions, a longer rate of contributions.

MR SPEAKER:

With respect, I think we are groping, perhaps the Hon and Learned Attorney-General would like to give it some thought and at a later stage perhaps give us an answer if there is one. I think we are just trying at this particular stage to gauge what the position is without having the full knowledge.

HON J BOSSANO:

Could I ask one more question, if you will allow me, Mr Speaker? Can the Hon Member then explain, if he has just said that this is not in conflict with Community law and that it is possible to have a requirement that a higher rate of contribution should be made in order to obtain a higher benefit, on what grounds has Government been advised that the pensions will have to be increased to the higher rate for Spanish nationals on accession to the EEC, on what grounds, as stated in previous answers to previous questions, Mr Speaker, this is not the first time we have raised this.

HON ATTORNEY-GENERAL:

Obviously, I will have to look into it, Mr Speaker.

MR SPEAKER:

Next question.

NO. 19 OF 1985

ORAL

THE HON R MOR

How many married women or widows had exercised the option not to pay Social Insurance contributions at 31 December, 1984?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Sir, in order to provide the required information^{it} is necessary to examine individual folios, dating back to 1980 in respect of widows and to 1955 in respect of married women. It has not been possible in the short time available to obtain this information. I will make it available to the Hon Member as soon as possible.

NO. 20 OF 1985

ORAL

THE HON R MOR

Can Government state the percentage interest earned per annum by the Social Insurance Fund, excluding the £1.25 million borrowed by Government, since 1980?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Yes Sir, for the five years commencing 1979-80 and ending 1983-84 the interest earned has been as follows: -

1979-80	18.18%
1980-81	18.82%
1981-82	15.31%
1982-83	14.18%
1983-84	11.45%

SUPPLEMENTARY TO QUESTION NO. 20 OF 1985

HON R MOR:

Mr Speaker, in view of the fact that the Fund has been gaining only about 16%, 17% or 18%, does Government not accept that they are paying interest at a very reduced rate by paying 12½% only on the amount they have borrowed from the Fund?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry, I didn't quite catch the Hon Member's question.

HON R MOR:

Mr Speaker, I will clarify this for the Hon Member. The Government pays interest at a rate of 12½% on the £1.25m that they have borrowed from the Fund.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think the Hon Member means invested by the Fund in Government debentures, am I right?

HON R MOR:

Yes.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think the point here is that a comparison of interest only ignores the element of capital appreciation or depreciation in

gilt edged stocks held by the Fund over that period which has fluctuated between minus 17% and plus 9%. The gilt edged stocks held by the Fund are actively managed by the Crown Agents which is to say that they are sold and bought frequently in accordance with the commercial advantage as seen by the Crown Agents at the time. It is necessary to take both the element of capital appreciation or depreciation and the interest into account to determine the yield of the stocks, the yield from investment in gilt edged, and the yield over the period in question has varied from plus 1% to plus 23% and, in fact, averaged at a figure just under 15% per annum so I think that is probably a truer reflection of the performance of the gilt edged stocks in the Fund. It is true that that figure is still higher than the 12½% which is the flat rate yield from the investment in Government debentures but I think one must consider this, that in 1980 when the investments in 12½% Government debentures was made, the redemption yield on 15 years gilt edged stocks was in fact 12½% so that decision was therefore correct at the time.

HON R MOR:

Mr Speaker, the Government in fact is accepting then that if that money had not been borrowed by the Government the yield to the Social Insurance Fund would have been greater?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think I would answer that by saying that if interest rates were to turn down in the near future it could be argued that the Social Insurance had received very favourable treatment as a result of the investment in debentures. The advantages conferred by hindsight, Mr Speaker, are nowhere more spectacular nor more illusory than in the field of investment.

MR SPEAKER:

Next question.

NO. 21 OF 1985

ORAL

THE HON R MOR

Does compensation for loss of earnings in the form of redundancy pay disqualify those in receipt from entitlement to unemployment benefit for the period equivalent to the number of weeks pay represented by the payments?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Sir, a person is not entitled to unemployment benefit in respect of any period for which he has received compensation for loss of earnings.

SUPPLEMENTARY TO QUESTION NO. 21 OF 1985

HON R MOR:

What the Hon Member is saying then is that if you get redundancy compensation you are not entitled at all to unemployment benefit?

HON DR R G VALARINO:

Mr Speaker, let me clear up this point. Payments in lieu of wages or salary is not a redundancy payment. One is compensation for loss of earnings and the other compensation for loss of employment. However, it is often the case in a redundancy situation that an employee may receive compensation in both respects.

HON R MOR:

So what the Hon Member is saying, in fact, is that unemployment benefit would be kept from being paid for the period equivalent to the number of weeks pay represented by the payments?

HON DR R G VALARINO:

Yes, Sir.

HON J BOSSANO:

Mr Speaker, if a person is given compensation for being made redundant, how does the Government distinguish whether that is compensation for the loss of the employment or compensation for the loss of the earnings?

HON DR R G VALARINO:

Sir, if I may refer to the relevant Section which is (a) to (e) and reads and follows: "For the purposes of the provisions of

this Ordinance relating to unemployment benefit, a person whose employment has terminated shall not be deemed to be unemployed on any day on or in respect of which he has received any earnings or any compensation for the loss of and which is substantial equivalent to the earnings he would have received if the employment had not been terminated".

HON J BOSSANO:

I am aware of what the Section says, Mr Speaker, and what I am asking the Hon Member is how does his Department arrive at the conclusion that a lump sum paid to somebody on termination of employment is compensation for loss of earnings and not compensation for loss of employment?

HON DR R G VALARINO:

Mr Speaker, Sir, obviously the Department is notified and therefore we get the answer as to whether it is compensation for loss of salary or for loss of employment.

HON J BOSSANO:

So is the Hon Member then saying that they do it on the basis of a statement made by the employer?

MR SPEAKER:

No, I think the Minister is not entitled to answer because I feel sure that this is an administrative exercise carried out by the particular civil servant and I am sure it is related to the particular circumstances of each case.

HON J BOSSANO:

The Hon Member has said that if a payment is made as a result of redundancy and that payment is in respect of loss of earnings then it deprives the recipient of unemployment benefit.

MR SPEAKER:

And you have asked how does the Department come to the conclusion as to whether this payment is by way of redundancy or salary and I am saying that that decision must be basically an administrative one.

HON J BOSSANO:

But surely, Mr Speaker, it is a matter of information which we are seeking. Why have questions if we cannot be provided with information?

MR SPEAKER:

No, with respect, you are getting the information. What I am trying to tell you is that this is a matter which must be dealt with administratively in the light of the particular circumstances of the particular person who is unemployed and who has received the benefits.

HON J BOSSANO:

Mr Speaker, can the Government say whether there are any rules for deciding whether it is one or the other?

HON DR R G VALARINO:

No, Sir.

HON J BOSSANO:

So it is a purely arbitrary decision. In one case the Department may decide that it is for loss of earnings in which case the person doesn't get unemployment benefit and in another set of circumstances the Department may decide that it is compensation for the loss of a job in which case the person does get unemployment benefit, that is the situation is it?

HON DR R G VALARINO:

Mr Speaker, Sir, usually the person in question is told in writing whether it is loss of employment or loss of earnings and this is what the Department goes by. It is basically an administrative matter but I cannot see the relevance of the Hon Member's question.

MR SPEAKER:

Perhaps the Hon Leader of the Opposition may wish to ask whether there is a right of appeal against that decision, that is another matter.

HON J BOSSANO:

No, Mr Speaker, apart from the question of any right of appeal which, in fact, there isn't, what I am trying to establish is how the Government operates the Unemployment Benefit Scheme. If they have a situation where somebody becomes unemployed through having lost his job as a result of redundancy, does the Department have rules which determine when the person can claim unemployment benefit or not, given that they have been paid a sum of money on termination of employment and if they have those rules, what are they?

HON DR R G VALARINO:

On the first one, I must again say that we are told whether it is loss of earnings or loss of employment. It is also of value to know that redundancy payments are free of income tax but compensation for loss of earnings is taxable because obviously this is taken as if the individual is carrying on working.

HON J BOSSANO:

Is it then accepted by the Department that if an employer says that this is compensation for loss of employment that is accepted by the Department?

HON DR R G VALARINO:

Mr Speaker, nothing is accepted by the Department at face value, we investigate any cases that arise and therefore we try to make sure that the information that we obtain from the relevant source is the right one.

MR SPEAKER:

Next question.

NO. 22 OF 1985

ORAL

THE HON R MOR

What is the means test applied to the granting of supplementary benefits and how is it conducted?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Sir, as stated in reply to Question No. 54 of 1984 various factors are taken into account before an award is made eg current earnings, income, capital assets, family composition etc. I am circulating the relevant information to Hon Members regarding the means test applied.

SUPPLEMENTARY TO QUESTION NO. 22 OF 1985

HON J BOSSANO:

Mr Speaker, since the repeal of the elderly persons pension and the non-contributory pension, can the Hon Member say whether people who were in receipt previously of these pensions are now getting supplementary benefits?

HON DR R G VALARINO:

Mr Speaker, Sir, the repeal of the EPP was basically a legal adjustment so that they came out from one side and were paid out of the other therefore they come under the social security benefits which comes out of the Consolidated Fund. They will get that money exactly the same as if they were in the other category. Whether certain individuals also claim supplementary benefits or not, the same procedure will continue except that they have been moved from the social security scheme to outside the social security scheme.

HON J BOSSANO:

But my question, Mr Speaker, is, is the money that is being paid to previous recipients of elderly persons pension supplementary benefits or not and if it is not, what is it?

HON DR R G VALARINO:

It is supplementary benefits.

HON J BOSSANO:

Then are these supplementary benefits means tested according to the criteria that the Hon Member is circulating?

HON DR R G VALARINO:

The EPP or the EPP in brackets, no, Sir.

HON J BOSSANO:

Well, I don't know about the brackets, Mr Speaker, this seems to be a new idea of the Government to produce things in brackets. Is the situation then, Mr Speaker, that there are two kinds of supplementary benefits, one that is not means tested and one that is means tested?

HON DR R G VALARINO:

Yes, Sir.

HON J BOSSANO:

Mr Speaker, how does the Government distinguish between eligibility for non-means tested supplementary benefits and eligibility for means tested supplementary benefits?

HON DR R G VALARINO:

Well, Sir, on the general principle of supplementary benefits I have answered the question. The two aspects that we are taking out of the social security and have now been put on the Consolidated Fund, they will remain the same and they will rise by whatever percentage at the end of the year so there is no means test there.

HON J BOSSANO:

Mr Speaker, that is not the question I have asked the Hon Member. Can the Hon Member say how does he distinguish between eligibility for non-means tested supplementary benefits and means tested supplementary benefits?

HON DR R G VALARINO:

Age, Sir.

HON J BOSSANO:

So the situation is, Mr Speaker, that somebody claiming supplementary benefits will have his income and other circumstances looked into until he reaches a certain age and at that point he will stop having his circumstances looked into and you are going to have a situation where somebody slightly younger but with a lower income is refused assistance by his Department which is granted to somebody slightly older but with a very substantial income, that is the position?

HON DR R G VALARINO:

Mr Speaker, Sir, this is all supposition.

HON J BOSSANO:

Yes or no?

HON DR R G VALARINO:

He is just illustrating a case which.....

MR SPEAKER:

Which comes within the provisions of the Ordinance.

HON DR R G VALARINO:

The Department will look into it and provide the Hon Member with the information. This is the obvious answer.

HON J BOSSANO:

No, Mr Speaker, it is not the obvious answer, it is the obvious non-answer and I am asking for answers. Can the Hon Member tell me if he has just said that eligibility to non-means tested supplementary benefits is age, whether it follows from that that somebody seeking supplementary benefits will be tested for his income below a certain age and can be denied that as a result of the means test, whereas someone else above a certain age with a higher income will be granted it? Does that follow from his answer or not?

HON DR R G VALARINO:

Mr Speaker, Sir, we moved the EPP from one section to another so as to safeguard the rights of those individuals. As far as the social security aspect is concerned, we have got the safeguard of those individuals who were receiving EPP. The social security aspect will then come into it as far as the Department is concerned and as far as the means test is then concerned but we have safeguarded the interests of those members who used to get EPP, therefore they could well be in excess of the EPP plus social security benefits.

HON J BOSSANO:

Is the Hon Member saying that there is a special category of people who are the only ones who can claim this who are the people who until the end of last year were receiving elderly persons pension?

HON DR R G VALARINO:

Yes.

HON J BOSSANO:

Well, if the answer is yes, Mr Speaker, then is it true to say that people reaching the same age group from now on who were not getting elderly persons pension because elderly persons pension no longer exists, will not be able to claim supplementary benefits because they will be means tested?

HON CHIEF MINISTER:

The rights of applicants have been safeguarded.

HON J BOSSANO:

Therefore does it not follow, Mr Speaker, that the supplementary benefits scheme has now got a new rule in it which says that after a certain age means tests do not apply?

HON DR R G VALARINO:

That is right, yes.

MR SPEAKER:

Next question.

NO. 23 OF 1985

ORAL

THE HON R MOR

Under the authority of which law are payments from public funds made to claimants of supplementary benefits?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Sir, payments under the Supplementary Benefits Scheme are made from the Consolidated Fund. The expenditure is voted by the House in the course of the consideration of the annual estimates of expenditure and the legal authority to spend the money so voted is contained in the relevant Appropriation Ordinance.

SUPPLEMENTARY TO QUESTION NO. 23 OF 1985

HON R MOR:

Is the Hon Member saying that in fact there is no law?

MR SPEAKER:

No, it is authorised by the House.

HON J BOSSANO:

Is it not the case that what the House authorises is a certain total amount of money which is what is estimated it will cost but that in fact there is no law as to what the level of payment should be or who the payments should go to?

HON CHIEF MINISTER:

It is not statutory.

HON J BOSSANO:

Is the Hon Member saying that once the House votes the sum of money in the estimates the Government then administratively can choose to distribute that money in whatever fashion they care?

HON DR R G VALARINO:

There is an administrative scheme whereby once the money is voted the administrative scheme comes into effect and the various factors are considered and the protection of certain pensioners like the EPP, are taken into account.

HON J BOSSANO:

Mr Speaker, if the House voted at the beginning of this financial

year a sum of money for the payment of supplementary benefits based on criteria which the Hon Member has mentioned which makes payment of public funds to people conditional on their circumstances and before the end of the financial year the Government has now reformed the scheme to say that people above a certain age will get payment of public funds irrespective of their economic circumstances, is the Government then saying that once the House has voted the sum of money they can then administratively change the rules and pay that money to whoever they want in whatever quantities they want, is that what the Government is saying?

MR SPEAKER:

If you haven't got the answer you haven't got the answer but we must not delay the proceedings of the House.

HON DR R G VALARINO:

Sir, the scheme is there, it is basically an administrative scheme. I realise what the Hon Member is getting at that the split has happened in December, therefore the money already voted in the budget will cover certain things but this is a scheme which the Department runs and out of this money ^{the money} entailed for all the social benefits scheme will come out of it. We may have to vire but the money will remain the same.

HON J BOSSANO:

Mr Speaker, I am not asking about the cost of the scheme. What I am asking, Mr Speaker, and what I would like to have an answer to is is it true, from the answers that the Government has already given, that having voted a sum of money for the payment of supplementary benefits at the beginning of this financial year, the Government can now come along and introduce into the way they administer the money whatever rules they wish like they are doing now apparently since the beginning of January to make payments to people of a certain age group not means tested, whereas payments to people in another age group are means tested.

MR SPEAKER:

With respect, the answer must be yes.

HON J BOSSANO:

I think the answer must be yes but I would like to hear the yes, Mr Speaker, from them not from you, this is the problem, and therefore I am asking does that follow, yes or no?

HON A J CANEPA:

I don't doubt, Mr Speaker, that the answer is yes because something happened in reverse between 1976 and 1978 when we were reducing the age of eligibility for elderly persons pension from 75 down to 65 and in the process of doing that over a period of two years we were, in fact, taking people out of the supplementary benefits scheme and paying them elderly persons pension instead and part of the money to finance that had already been voted under supplementary benefits and was vired from the Supplementary Benefits Head to the Elderly Persons Pension Head.

HON J BOSSANO:

Mr Speaker, I do not think the Hon Member understands what I am getting at at all. I am not questioning the cost of the scheme, what I am questioning is the legitimacy of the system that is being operated which, Mr Speaker, we questioned when the Government decided to repeal the Ordinance in question and I am saying, if the only authority for the payment of sums of money to individuals out of public funds is the authority of the House voting the money at the beginning of the year, what is happening now is that having voted a certain amount of money in the estimates this year which was being distributed by the application of a means test to establish need, the Government now has changed the rules and they tell us that they can do that without the authority of any law simply on the authority of the Appropriation Ordinance. I am saying does it follow from that that once we vote the money for supplementary benefits the Government can introduce any rules like they are doing one on age or any other criteria and distribute public funds to whoever they like however they like, is that the legal position?

HON A J CANEPA:

I have no doubt that that is the case. It is an administrative scheme and the conditions have been changed over the years from time to time by decisions taken by Council of Ministers so I think we could go to the extreme that the Hon Member is suggesting. In practice I do not think that that would happen, I think the Government would always be guided in changing the conditions by certain reasonable criteria.

MR SPEAKER:

Next question.

NO. 24 OF 1985

ORAL

THE HON J BOSSANO

Are Foreign Nationals whose families reside with them in Gibraltar currently eligible for family allowance?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Sir, foreign nationals whose families reside with them in Gibraltar are currently eligible for family allowances.

Those who are EEC Nationals are subject to a qualifying period of residence of six months and non-EEC Nationals are subject to a two year qualifying period.

SUPPLEMENTARY TO QUESTION NO. 24 OF 1985

HON J BOSSANO:

Does it follow then, Mr Speaker, that Spanish nationals obviously currently in Gibraltar are eligible for family allowance if their dependents are resident with them?

HON DR R G VALARINO:

With respect, Sir, I think that is the next question.

HON J BOSSANO:

I am asking about Spanish nationals who are not EEC nationals which is what the next question is. It follows then that Spanish nationals currently are entitled and are able to obtain family allowance?

HON DR R G VALARINO:

Yes.

HON J BOSSANO:

Provided they have resided for two years out of the last three and the Hon Member is saying that the rules for EEC nationals are different?

HON DR R G VALARINO:

Yes.

MR SPEAKER:

Next question.

NO. 25 OF 1985

ORAL

THE HON R MOR

Can Government confirm whether under current legislation EEC nationals can claim Family Allowance for dependent children who are resident in another EEC state?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Yes Sir. Under current legislation EEC nationals can claim Family Allowance for dependent children who are resident in another EEC state.

SUPPLEMENTARY TO QUESTION NO. 25 OF 1985

HON J BOSSANO:

Mr Speaker, is the Minister aware that his Department, in fact, has not been operating on that basis and that people have been refused family allowances on the basis that their children are not here although they have been resident in another EEC state?

HON DR R G VALARINO:

Mr Speaker, as far as I know we have had no applications from any EEC nationals to that respect, this is the information I have been given.

MR SPEAKER:

Next question.

NO. 26 OF 1985

ORAL

THE HON J L BALDACHINO

Can Government confirm that the inspection of North Gorge Buildings has now been carried out as promised in answer to Question No. 17 of 1984?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Mr Speaker, in the handing over of Ministries following the Ministerial reshuffle after the General Election this item was inadvertently missed. I have already made arrangements for the structural survey to be carried out.

SUPPLEMENTARY TO QUESTION NO. 26 OF 1985

HON J L BALDACHINO:

Mr Speaker, once the Hon Member has got the results of such an inspection will he let this side of the House know?

HON MAJOR F J DELLIPIANI:

I have no objections to doing that, Mr Speaker.

MR SPEAKER:

Next question.

NO. 27 OF 1985

ORAL

THE HON J C PEREZ

How many of the repairs which Government undertook to carry out in reply to Question No. 14 of 1984 related to the North Gorge have now been completed?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Mr Speaker, since 13 March, 1984, when this question was raised, 86 different items of minor and recurrent defects have been repaired. Additionally the roof of Block A was renewed and completed in November 1984.

SUPPLEMENTARY TO QUESTION NO. 27 OF 1985

HON J C PEREZ:

Do those repairs include extensions to the toilets and washing facilities?

HON MAJOR F J DELLIPIANI:

I am not in a position to answer that question at this moment, Sir. That is a specific question which I am not able to answer.

HON J C PEREZ:

Is the Hon Member satisfied that no further works are required at present?

HON MAJOR F J DELLIPIANI:

I am never satisfied, Mr Speaker.

HON J L BALDACHINO:

Seeing that the Hon Member was Minister for Housing before and he stated that probably people living in the North Gorge buildings will be there for twenty years, which was the answer he gave, doesn't he think that something should be done to the surroundings of the building.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I did not get the last part of the question.

MR SPEAKER:

That something should be done to the surrounding of the building, is that right?

HON J L BALDACHINO:

I am not talking about the building itself I am talking about the grounds which have not been resurfaced. Doesn't the Hon Member think that something should be done about that?

HON MAJOR F J DELLIPIANI:

Yes, Mr Speaker.

HON J L BALDACHINO:

Yes, that he thinks something should be done or yes, that he will look into it and something will be carried out?

HON MAJOR F J DELLIPIANI:

I said Mr Speaker, that yes something should be done but whether I have the funds to do it is another matter.

MR SPEAKER:

Next question.

NO. 28 OF 1985

ORAL

THE HON J C PEREZ

Can Government confirm that there has been a delay in the commencement of works in relation to the external cladding of the Tower Blocks, and if so, why?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Mr Speaker, there is really no delay in the commencement of work at Constitution House. The tender was awarded in mid-August 1984 and it was only after that date that the Contractor could place the necessary materials and plant an order. Preliminary work is about to commence on site today and the bulk of the materials will be arriving later this month.

NO. 29 OF 1985

ORAL

THE HON J C PEREZ

Can Government confirm whether they have made any claim in respect of delay or damage on the company responsible for the installation and construction of the new desalination plant at Waterport?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Mr Speaker, Government is actively pursuing the application of liquidated damages in respect of delays in completion in the construction of the new desalination plant at Waterport.

NO. 30 OF 1985

ORAL

THE HON J C PEREZ

Can Government specify in respect of what they have had to meet a claim by Metalrock Ltd in connection with the distillers?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

No, Sir, no claim has been received from Metalrock Ltd in connection with the distillers.

SUPPLEMENTARY TO QUESTION NO. 30 OF 1985

HON J C PEREZ:

Mr Speaker, if I may refer the Hon Member to the Statement of Re-allocations approved by the Financial and Development Secretary which has been laid on the table today where under Head 20 - Public Works, head 52 - Distillers, there is an amount of £13,000 to meet claims against the Government by Metalrock Ltd.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I still say, no, Sir, no claim has been received from Metalrock Ltd in connection with the distillers.

MR SPEAKER:

What you are being told is that whatever else they have had no claim.

HON J C PEREZ:

If it isn't in connection with the distillers can the Hon Member confirm that there has been a claim in connection with something else notwithstanding that it is coming out from subhead 52 - Distillers?

HON MAJOR F J DELLIPIANI:

Yes, Mr Speaker, but not with the distillers. Following a fire in Metalrock scrapyard on the 31st October, 1982, Metalrock raised a claim on the Government for damage to their property within their premises. They alleged that the fire was caused by the negligence of Government employees who had lit an open fire at the incinerator which is adjacent to their premises. The matter is in the hands of the Attorney-General.

HON J C PEREZ:

Mr Speaker, is it not a fact that the claim has already been met

and that that is why the sum of £13,000 has been re-allocated?

HON MAJOR F J DELLIPIANI:

No, Mr Speaker, this is a legal term on which I am not an expert. A payment of £13,000 has been made into court.

HON J C PEREZ:

Can the Hon Member explain why it is being charged to subhead 52 - Distillers, if it has to do with the incinerator?

HON MAJOR F J DELLIPIANI:

I only follow instructions as to where to vire money.

MR SPEAKER:

Next question.

NO. 31 OF 1985

ORAL

THE HON J E PILCHER

Is Government aware of the extent of vandalism in the Upper Rock and the effect that this is having on tourism?

ANSWERTHE HON MINISTER FOR TOURISM

Mr Speaker, yes, Government is aware of the extent of vandalism in the Upper Rock. The Public Works Department have a special gang consisting of a Works Supervisor, a Mason and five Labourers to deal with the Upper Rock area. This gang endeavours to correct promptly all cases of vandalism in the area wherever these are identified. Over £25,000 will be spent on the upkeep of the Upper Rock area in the financial year 1984/85.

The Tourism Environment Committee has submitted recommendations to the Tourism Consultative Board, which will be considered at the latter's next meeting. These include proposals for the beautification of the Upper Rock, replanting of vandalised trees and provision of adequate signposting in the area.

SUPPLEMENTARY TO QUESTION NO. 31 OF 1985

HON J E PILCHER:

Mr Speaker, in answer to Question No. 148 of 1984, the Minister for Tourism said that a survey had been carried out and that there would be improvement on signposting and other areas, in fact, he has now gone further saying that a sum of £25,000 will now be spent in beautifying the Upper Rock. If he is aware of the vandalism that is occurring in the Upper Rock, surely what has to be done is do something about the vandalism first because I know that the Tourist Office is at the moment undertaking improvements in the Upper Rock but if there is this level of vandalism how long will it take for the signposts to be knocked down and posters to be destroyed and replanted trees to be destroyed, surely, the first step should be to try and curtail the vandalism and then move from there?

HON H J ZAMMITT:

Mr Speaker, I would agree with the Hon Member. I can say that the Police do carry out regular patrols of that area and, of course, any offenders would be prosecuted if caught or detected. It is a difficult area purely because one is almost convinced that the vandalism is taking place during the early hours of the morning or very late hours at night and the Police are doing their utmost to keep vandalism down to its minimum. As to the

question of looking at what we can do to avoid a repetition of this, that of course, is why the matter is being looked at thoroughly to have signposts that are not either flimsy enough to be destroyed with ease or we hope that the number of people in the area will make it more difficult for vandals to get away with what they are doing at present. We are very actively engaged, Mr Speaker, in trying to keep it down to its minimum.

MR SPEAKER:

Next question.

NO. 32 OF 1985

ORAL

THE HON J E PILCHER

Can the Government state whether they have requested the United Kingdom Government to match the £300,000 of local funds allocated to tourism and if so, with what result?

ANSWERTHE HON THE MINISTER FOR TOURISM

Answered together with Question No. 33 of 1985.

NO. 33 OF 1985

ORAL

THE HON J E PILCHER

Can Government state whether the Consultative Committee on Tourism has now submitted their recommendations and whether the Government are now in a position to proceed with them?

ANSWERTHE HON THE MINISTER FOR TOURISM

Sir, under paragraph 4(3) of its Constitution, the Tourism Consultative Board is charged with making recommendations to the Government, through me, on proposals put to the Board by the various Tourism Committees. Reports of two of the four Committees were circulated to members of the Board on 30 November, 1984, and the reports of the other two Committees were circulated on 7 January, 1985. Members of the Board were given notice, on the latter date, that all four reports would be placed on the agenda for a meeting of the Board to be held on 12 February, 1985. In order to facilitate discussion of the reports, members were asked to send in their comments to the Department by 29 January, 1985.

Once the Board has considered the reports of the four committees it will make its own recommendations across the whole spectrum of the matters dealt with by the Committees and may also put forward additional proposals of its own. The Board will indicate the priorities which it considers should be established.

The Government will then consider the Board's recommendations, decide the priorities, and establish the cost of those which it decides should be dealt with in the short, medium and long term. The Government will then also decide the extent of the local funds that can be made available as well as the extent to which it will be necessary to approach the British Government for assistance in implementing the proposals in order to improve the tourism product.

I should like to take this opportunity to thank the Chairman and members of the Tourism Committees who have devoted an extraordinary amount of time and effort to their very difficult tasks. As everyone knows from the internal Public Relations campaign which we carried out in September last year, it was my hope that the whole of Gibraltar would work together in the common aim of making Gibraltar a real tourist resort. This continues to be my hope, particularly in the light of the opportunities presented by an open frontier. It is certainly the case that all those concerned in the Tourism Committee have done an excellent job. I hope the House will join me in paying them tribute for this as well as in the hope that everyone else in Gibraltar will follow their example in the different ways open to them.

SUPPLEMENTARY TO QUESTIONS NOS. 32 AND 33 OF 1985

HON J E PILCHER:

I thank the Hon Member for his public relations exercise. I take it that in the first instance in Question No. 32 the answer was a simple no, the Government has still not approached the UK Government for a matching of the local funds allocated and this will not happen until the Consultative Committee meets and decides on the priorities that the Government should give to matters pertaining to tourism, that is the answer to the first question?

HON H J ZAMMITT:

That is so, Sir.

HON J E PILCHER:

And on Question No. 33 the answer again is; we will not know what the recommendations of this Committee are until the 12th February when the Consultative Committee meets.

HON M A FEETHAM:

Is the Hon Member opposite saying that they will not proceed in requesting an equivalent amount from the British Government until they know the decision that the Government in consultation with the Board has taken, is that what he is saying?

HON H J ZAMMITT:

I don't think it is equivalent, we may be asking for more. The question Mr Speaker, is that we have to wait for the priorities to be laid out (a) by the Committees, (b) by the Consultative Board, (c) by Government. It is when one evaluates the three priorities and I hope that the three bodies can agree to the priorities then, of course, once costed, one would have to see what we could find from our own resources and what, if required, should we ask Britain to assist us. It could well mean that we might be asking for treble the amount, I don't know, it is entirely up to whatever priorities we all agree we should achieve.

HON J BOSSANO:

May I ask the Hon Member, when he is talking about seeking UK money for tourism which may be as much or more than the £300,000, am I right in thinking that this is from the unexpired or unused balance of the £13m?

HON H J ZAMMITT:

Mr Speaker, I would say, no, I think it should be a special

presentation to ODA because of the changed circumstances but it is a matter, of course, for the financial experts to sort out.

HON J BOSSANO:

Didn't the Government when they announced that they were putting £300,000 of local funds and would be seeking an equivalent amount from UK, say at the time that this was the sort of money that was still left unallocated out of the £13m?

HON H J ZAMMITT:

No, Mr Speaker, I think the Hon Member is slightly confused. In fact, the Hon Member picked up that we were going to use that money from something which was not recurrent but, possibly, of course, he must not forget that this money goes back to September, I think it was in the September meeting that we voted the £300,000 and of course there are changed circumstances now.

HON J BOSSANO:

No, I mean before the meeting of December when the House voted the money, Mr Speaker. Didn't the Government when they originally announced after the Pitaluga Report had been accepted in principle, that they were going to provide funds, didn't they announce then that they were proposing to use £300,000 of their own money from the I & D and that they hoped to use an equivalent amount of money from ODA which I think the Financial and Development Secretary at the time said was about the amount that was still unallocated for any specific project?

MR SPEAKER:

Next question.

HON H J ZAMMITT:

Mr Speaker, I have some additional information with regard to Question No.33. It is true that the Chief Minister in the June meeting did mention the fact that we were thinking of seeking the British Government's approval to use part of the residue from the uncommitted development programme. That, in fact, was the original intention but on reconsideration, Mr Speaker, it was thought preferable to await the outcome of the study of our various Committees and their recommendations rather than appear to pre-empt them by committing money without knowing what their priorities would be.

NO. 34 OF 1985

ORAL

THE HON MISS M I MONTEGRIFFO

Can Government state what specialised training has been provided to the craftsmen responsible for the maintenance of the hospital since 1982 and whether they are now in a position to be sent for further training to the UK?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, in order to improve the service to the hospital, craftsmen have now been integrated into the Public Works Department Electrical Section. The plan envisages specialised training for the staff concerned and ways and means of doing this are currently under consideration.

SUPPLEMENTARY TO QUESTION NO. 34 OF 1985

HON MISS M I MONTEGRIFFO:

Mr Speaker, the Government in 1982 said that two industrials would be sent to the UK for specialised training. Do they still intend to do this?

HON M K FEATHERSTONE:

That will be for the Electrical Section of the Public Works Department and the Public Works Department to decide.

HON J BOSSANO:

Mr Speaker, the Minister made a statement here saying in 1982 that this was going to happen. Is it still the policy to do that or has the policy been changed since 1982?

HON M K FEATHERSTONE:

As I have said the craftsmen have now been integrated into the Public Works Department and they will see whether they consider that the training they can get here in Gibraltar is adequate or whether they need to go to UK for specialised training.

HON J BOSSANO:

Mr Speaker, didn't the Hon Member in 1982 announce, in answer to a question, that the local training was starting then in 1982. Normally three years is enough for an apprenticeship, has the training been going on continuously since 1982?

HON M K FEATHERSTONE:

I didn't announce it, Sir, whether my predecessor did or not I am not in a position to state. The thing is that this must be a flexible system and the system that they have envisaged as the best system is for the people to be integrated into the Public Works Department and to carry on from there.

HON J BOSSANO:

Has training been going on since 1982 or not?

HON M K FEATHERSTONE:

I should imagine since they have been in the Public Works Department they have been receiving some measure of training, yes.

HON J BOSSANO:

Mr Speaker, hasn't the Electrical Section always been a part of the Public Works Department?

HON M K FEATHERSTONE:

No, I understand there were two people specialised in the hospital who were industrial employees of the hospital staff and now they are integrated into the Public Works Department.

HON J BOSSANO:

Mr Speaker, I think the Hon Member is mistaken. Will the Hon Member confirm that in fact the post that was previously shown in the estimates of the Medical Department that is now shown in the estimates of the Public Works, was the post of PTO IV and not of industrials? Will the Hon Member look into what training has gone on since 1982?

HON M K FEATHERSTONE:

Yes, Sir.

MR SPEAKER:

Next question.

NO. 35 OF 1985

ORAL

THE HON MISS M I MONTEGRIFFO

Has the question of obtaining recognition for Gibraltar Nursing qualifications now been referred to the Council of Ministers for consideration?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

No, Sir. The comprehensive study mentioned in my reply to the Hon Member's question No. 159/84 of the 30 October 1984, has not yet been completed. It is expected that the matter will be referred to Council of Ministers shortly.

NO. 36 OF 1985

ORAL

THE HON MISS M I MONTEGRIFFO

Can Government state what is the current position regarding provision of improved changing-room facilities for nurses at St Bernard's Hospital?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, I am pleased to inform the Hon Member that the reprovisioning of changing-room facilities for nursing staff at St Bernard's Hospital has now been completed.

NO. 37 OF 1985

ORAL

THE HON MISS M I MONTEGRIFFO

Is there an income limit below which senior citizens are exempted from the payment of the contribution to the Group Practice Medical Scheme?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, by virtue of Regulation 6A of the Group Practice Medical Scheme Regulations, persons whose income does not exceed an amount equivalent to the amount payable as Old Age Pension, can be exempted from the payment of contributions to the Group Practice Medical Scheme. This, in the main, applies to senior citizens.

SUPPLEMENTARY TO QUESTION NO. 37 OF 1985

HON J L BALDACHINO:

Mr Speaker, does that also include prescriptions?

HON M K FEATHERSTONE:

Yes.

HON J L BALDACHINO:

They don't have to make any payment towards that?

HON M K FEATHERSTONE:

No, Sir.

HON J BOSSANO:

Mr Speaker, the pension in question is the social security pension which is, in fact, non-taxable. Is the amount compared to that the net income or the income before any deductions?

HON M K FEATHERSTONE:

I think it must be the gross income.

MR SPEAKER:

Next question.

NO. 38 OF 1985

ORAL

THE HON MISS M I MONTEGRIFFO

Has Government now taken a policy decision on whether the restriction imposed on dependents of Gibraltarians residing in Spain as regards their being covered by the Group Practice Medical Scheme is to be removed or not?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, there are no plans to relax the Government's policy regarding the categories of persons mentioned in the Hon Member's question.

SUPPLEMENTARY TO QUESTION NO. 38 OF 1985

HON MISS M I MONTEGRIFFO:

Mr Speaker, can the Government confirm whether this restriction is not, in fact, contrary to EEC Regulations?

HON M K FEATHERSTONE:

I am not sure that it is contrary.

HON J BOSSANO:

But if it is contrary it will have to be changed, presumably, Mr Speaker?

HON M K FEATHERSTONE:

If it is contrary it will have to be changed but I understand that it is not contrary.

HON J BOSSANO:

Does the Minister know whether the fact that it is not contrary at the moment may be by virtue of the fact that Spain is not yet a member of the EEC and that therefore residence in Spain at the moment is not residence within a Member State but that the EEC Rules would apply the moment of Spanish accession, is he aware of that distinction?

HON M K FEATHERSTONE:

I would have to seek advice on that question, Sir.

HON J L BALDACHINO:

Mr Speaker, then as I understand it as the law stands now for dependents and after we give the rights to Spanish nationals

which states that a resident of Spain if he comes into Gibraltar can be treated here in an emergency will that also apply to dependent Gibraltarians?

HON M K FEATHERSTONE:

A resident of Spain if he comes into Gibraltar and is treated as an emergency would be charged for that treatment unless there is a reciprocal agreement with Spain that a resident of Gibraltar who was treated as an emergency in Spain would not be charged.

HON J L BALDACHINO:

So that will apply equally to dependents of Gibraltarians living in Spain?

HON M K FEATHERSTONE:

Yes.

HON J BOSSANO:

If it is a question of a bilateral reciprocal agreement, what is the position of other EEC nationals in that respect?

HON M K FEATHERSTONE:

If they have a form E111 then they are treated free, otherwise they have to pay.

HON J BOSSANO:

And does a dependent of a Gibraltarian who is residing in Spain have to obtain a form E111 to be treated in his own home town, Mr Speaker?

HON M K FEATHERSTONE:

If he is residing in Spain Gibraltar is not his home town.

HON J BOSSANO:

Well, perhaps, the Hon Member will agree with me that if they provided more houses there would be less people in the neighbouring territory and more in their home town. But is it, in fact, Government policy that a Gibraltarian who finds himself living in Spain and working in Gibraltar will not get emergency treatment for his family unless he obtains a form E111 from the Spanish authorities?

HON M K FEATHERSTONE:

Emergency treatment, that is the position, yes, Sir.

HON J BOSSANO:

And I am asking is it Government policy that Gibraltarian dependents will be treated the same as other EEC nationals and will have therefore to obtain a form E111 from Spanish authorities in order to get treatment in Gibraltar, is that the policy?

HON M K FEATHERSTONE:

In order to get emergency treatment. To be treated under the normal system then they are not included in the scheme.

HON J BOSSANO:

I accept that but in order to get emergency treatment which will be available to other nationals, does the Gibraltarian have to get a form E111 from Spanish authorities, that is my question?

HON M K FEATHERSTONE:

That would apparently be the system, yes, Sir.

HON J BOSSANO:

And that is the government policy? Government thinks that is the right thing to do?

HON M K FEATHERSTONE:

We will look at that, Sir.

HON J L BALDACHINO:

Mr Speaker, just one question because I am not too sure about one of the answers. Subject to agreement between Gibraltar and Spain on medical facilities and if there is a different agreement that according to the law exists now in relation to Spanish nationals, will Gibraltarian dependents living in Spain be treated equally as a Spanish national in that respect?

HON M K FEATHERSTONE:

I think there seems to be some misapprehension on this matter. A Spaniard normally resident in Spain will not be entitled to come to Gibraltar even under EEC Regulations for medical treatment. Only if he is in Gibraltar and as a result of an accident or an emergency he falls sick, then he will be entitled to treatment. For such treatment he would have to pay unless there is a bilateral agreement under which Gibraltarians in the same situation in Spain will be treated free of charge.

MR SPEAKER:

In other words, reciprocal, and the same will apply to Gibraltarians in Spain.

HON J L BALDACHINO:

So Gibraltarians will be treated the same as Spanish nationals in that respect?

HON M K FEATHERSTONE:

Yes.

HON J E PILCHER:

Mr Speaker, is not an EEC tourist allowed to go to the Health Centre for treatment if he falls sick in Gibraltar?

HON M K FEATHERSTONE:

If he has an E111.

HON J E PILCHER:

What happens if a Spaniard crosses the frontier with an E111 form, would he then be entitled to go to the Health Centre?

MR SPEAKER:

In an emergency yes. Next question.

NO. 39 OF 1985

ORAL

THE HON MISS M I MONTEGRIFFO

Is Government now in a position to make an announcement regarding what is considered to be the optimum number of doctors to run the Group Practice Medical Scheme?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, I am not yet in a position to make any announcement regarding what is considered to be the optimum number of doctors needed to run the Group Practice Medical Scheme. The matter is being discussed with the doctors concerned, and these discussions have not been finalised.

SUPPLEMENTARY TO QUESTION NO. 39 OF 1985

HON MISS M I MONTEGRIFFO:

Mr Speaker, in view that in October the Gibraltar Branch of the British Medical Association brought out a press release calling as a matter of urgency ^{for} an increase in doctors and because of the impending opening of the frontier, how much longer does the Minister think he requires?

HON M K FEATHERSTONE:

The discussions are rather complicated because obviously the doctors have one view which might be considered in some quarters to be exaggerated and the Government has another view and until the two are reconciled I cannot exactly say when it will be. I would hope, perhaps, within the next six weeks.

MR SPEAKER:

Next question.

NO. 40 OF 1985

ORAL

THE HON J C PEREZ

Can Government state when they will be in a position to bring to this House the necessary legislation to allow the Vehicle Testing Centre in Eastern Beach to become fully operational?

ANSWERTHE HON THE ATTORNEY-GENERAL

Mr Speaker, I am afraid that this legislation will have to await the appointment of a Law Draftsman. This legislation together with the legislation to grant pensions to part-timers and other important legislation have been held up by reason of the sheer volume of work in the Attorney-General's Chambers.

SUPPLEMENTARY TO QUESTION NO. 40 OF 1985

HON J C PEREZ:

Mr Speaker, did the Government not foresee since they were planning that the MOT Testing Centre would start operation in January, 1984, that the legislation needed to be prepared and did they not start preparing that legislation or why did they not start preparing that legislation as soon as the project went out to tender and construction began so that it would be ready in time?

HON ATTORNEY-GENERAL:

I believe a start was made on the legislation but it is not yet complete.

HON J C PEREZ:

Mr Speaker, can Government state when it is now intended that the MOT Test Centre will be fully operational since the Hon Member said in March last year that it would be in April last year and we are rapidly approaching April, 1985, and there is still no indication that it will be fully operational even a year later?

HON M K FEATHERSTONE:

It will not be operational until we have the relevant legislation.

HON J E PILCHER:

Mr Speaker, we have been told that the reason why the legislation is not ready is due to understaffing in the Attorney-General's office but how longer must Gibraltar wait for important legislation

because of understaffing, is the Government going to do something about the understaffing in the Attorney-General's office or not?

HON ATTORNEY-GENERAL:

We are hoping to interview somebody for the post of Law Draftsman after this House recesses, not today but when the session finishes.

HON J BOSSANO:

Mr Speaker, wouldn't the Government agree that if we have a situation where the Vehicle Testing Centre having been completed in September, 1983, continues for several more years without it being fully operational, it puts into question whether we need it at all? What exactly is it that we are missing out through the legislation not being ready?

HON CHIEF MINISTER:

The point is, if I may just intervene. First of all, the Centre is being used now for what there is provision in the law to do, instead of doing it in the way that was objected to by the Examiners quite rightly, we have a proper Centre with proper machinery but the full use of it will mean compulsory examination of motor cars and disqualifying them from being on the road. For that you cannot do it ultra vires, you cannot do it without authority. Members opposite were asking how we were paying money and saying under what law and we were trying to explain that it was through the Appropriation Ordinance. In this case until you have the legislation to make it compulsory it cannot work and I don't have to say the frustration that one has been through not now but Hon Members opposite, particularly the Leader of the Opposition who has been here longer, knows the frustration that we have been through due to lack of producing the necessary legislation. Ministers can take decisions that legislation be passed but it has to be done.

MR SPEAKER:

Next question.

NO. 41 OF 1985

ORAL

THE HON J L BALDACHINO

Mr Speaker, can the Minister for Housing state:

- (a) if there has been any change in the number of Government dwellings declared unfit for human habitation, and
- (b) if he has taken a decision to introduce in the Housing Allocation Scheme a mandatory pointage system for tenants living in such dwellings

as stated in answer to Question No. 68 of 1984?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

- (a) There are at present fifteen tenants in occupation of dwellings which although not actually declared to be unfit for human habitation, would be so declared in the Chief Environmental Health Officer's opinion by a Court of Summary Jurisdiction;
- (b) Although Clause 15 of the Housing Allocation Scheme states that additional pointage is awarded at the discretion of the Housing Allocation Committee to tenants living in such dwellings, it is in fact the standard practice to award such points to all applicants whose accommodation has been declared as unfit.

SUPPLEMENTARY TO QUESTION NO. 41 OF 1985

HON J L BALDACHINO:

Mr Speaker, can the Minister confirm that there are now five more families living in dwellings that could be declared unfit if it went to the Court than what it was when I asked Question No.68 of 1984?

HON M K FEATHERSTONE:

There are fifteen that we know of, I am not going to say that there won't be any more, there is a possibility, but I don't know of them myself personally.

HON J L BALDACHINO:

Mr Speaker, in answer to Question No. 68 there were ten so there is an increase of five. The information I am trying to seek is

if there are five more families living in such conditions or in such dwellings due to the fact that those extra dwellings have been declared unfit after the date when Question No. 68 was asked or is it that those dwellings were uninhabitable at the time and now they have been allocated to somebody else?

HON M K FEATHERSTONE:

I think it must have been that the extra five have been found out since Question No.68. This is an on-going system, we are continually getting claims that accommodation would be declared unfit and it has been investigated, it takes time to make such investigations that is why the number has increased.

HON J L BALDACHINO:

And as I understand it with regard to part (b) of my question the Minister is quite happy how the Housing Allocation Scheme is working at the present moment and therefore he doesn't think it is necessary to change the system?

HON M K FEATHERSTONE:

We give 100 points to the married couple living in that house and 50 points for every extra person living in the house, I think that is a fair number.

MR SPEAKER:

Next question.

NO. 42 OF 1985

ORAL

THE HON J L BALDACHINO

Mr Speaker, can the Minister for Housing state how many applicants are waiting for pre-war accommodation after being recommended by the Housing Advisory Committee for such an allocation?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, there at at present 56 applicants awaiting to be allocated pre-war accommodation on the recommendation of the Housing Advisory Committee, on availability.

SUPPLEMENTARY TO QUESTION NO. 42 OF 1985

HON J L BALDACHINO:

Mr Speaker, can the Minister then state how many of those applicants are homeless?

HON M K FEATHERSTONE:

Homeless, seven as far as I know.

HON J L BALDACHINO:

Am I correct in stating that the Government has no such dwellings earmarked for social cases, for people who are homeless or people who will become homeless?

HON M K FEATHERSTONE:

They are allocated by the Housing Allocation Committee as rapidly as we possibly can get any available accommodation. The difficulty at the moment is that there are very few pre-war flats available for anybody at all.

HON J L BALDACHINO:

I think the Hon Member has misunderstood my question. I am saying that the Government does not have any dwellings earmarked that are not habitable in case any such cases arise where people are homeless so that they can be allocated such dwellings?

HON M K FEATHERSTONE:

No, we have nothing set aside especially at the moment, Sir.

HON J L BALDACHINO:

Wouldn't the Hon Member agree with me that it would be a good idea to have a few houses for such cases, for people who may become homeless?

HON M K FEATHERSTONE:

The difficulty to have some earmarked is that you get pressure from other people who are, if not absolutely homeless, in very bad conditions, for that flat or that earmarked property to be allocated to them and it is very hard to resist such pressure. We are hoping that in the near future we may be able to make some more cubicle accommodation available and this will, perhaps, relieve the pressure to some extent.

HON J L BALDACHINO:

Could the Hon Member, Mr Speaker, state if he knows how long or who is the applicant who has waited longer and is still waiting for such accommodation after being recommended by the Advisory Committee and I am referring to time not to names.

HON M K FEATHERSTONE:

I think there is one person who has been approximately one year living in very difficult accommodation, although that person was at one time offered some accommodation and actually refused it and continued living in the bad situation in which they are living at the moment, I think it is about one year.

HON J L BALDACHINO:

As I understand it, according to the Housing Allocation Scheme, if the person is homeless he will have to wait his turn and he hadn't got any priority over somebody else who is a social case but still has a roof over his head, he still comes under the same category and will have to wait when one of these allocation comes and if somebody else has priority in the list he will get the house and not the person who is homeless, is that correct?

HON M K FEATHERSTONE:

No, I think the person who is genuinely homeless gets extra consideration from the Housing Allocation Committee. I say genuinely homeless because very often a person claims that they are homeless where they could go back and live with their parents and it is to some extent an agreed situation between both parents and the person concerned to say that the parents won't have them and the person concerned to say that because the parents won't have them they are homeless but unless we are absolutely satisfied that is not accepted. If we are absolutely satisfied, and the Family Care Unit comes into this, then the absolutely homeless person gets preference from the Housing Allocation Committee.

HON J L BALDACHINO:

I understand what the Hon Member has explained, Mr Speaker, because it is implicit in the Housing Allocation Scheme what he has just said. I didn't want to go into one such case but I will refer to one as an example. I understand that there are families who make up as if they had quarrelled to get a pre-war house but there is a case at the present moment, one out of the fifteen, which I know personally, where the family was living in a private flat, the landlord took the family to Court and regained possession of the flat due to the fact that he wanted the flat for his family which is one way of recovering the flat according to the Landlord and Tenant Ordinance. That person is still homeless. What I am trying to say is in such a case will those persons who find themselves in that situation will they get priority over other people who are social cases and are waiting for an allocation?

HON M K FEATHERSTONE:

I wouldn't say they are given priority but they get extra points for dispossession so that is taken into account by the Housing Allocation Committee.

HON J L BALDACHINO:

I think there is a difference, Mr Speaker. If a family is treated the same wouldn't the Minister agree with me that if there are two families, one has a roof over its head even though it is a social case and even if the Family Care Unit has looked into it and still thinks that it is a social case and if somebody who is homeless, who hasn't got a roof over his head, doesn't the Minister agree with me that that person should have priority over the other one?

MR SPEAKER:

We are now going into matters which do not arise from the original question. In fairness, I have been liberal but, anyway, if you wish to answer it.

HON M K FEATHERSTONE:

I don't think really it is a matter of whether the Minister agrees or not since the allocation of houses is now taken out of the hands of the Minister and put into the hands of the Allocation Committee. Perhaps that question should be addressed to them.

MR SPEAKER:

Next question.

NO. 43 OF 1985

ORAL

THE HON J L BALDACHINO

Can the Minister for Housing state what is the minimum age required for a person to be eligible for Government housing if he or she meets the requirement as set out under Clause 3 of the Housing Allocation Scheme?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, the minimum age required for a person to apply for Government accommodation is 18 years.

NO. 44 OF 1985

ORAL

THE HON J L BALDACHINO

Can Government state when did they receive the Report prepared by the ODA team on Housing?

ANSWERTHE HON MINISTER FOR HEALTH AND HOUSING

Sir, the Gibraltar Housing Consultancy Report was received in Gibraltar in October, 1983.

SUPPLEMENTARY TO QUESTION NO. 44 OF 1985

HON J L BALDACHINO:

Mr Speaker, will the Government be making the Report public?

HON M K FEATHERSTONE:

We are willing to look into it. If it is not made public I can make it available to the Hon Member if he would like to see it.

HON J L BALDACHINO:

Mr Speaker, has the Government or the Minister for Housing ever implemented any of the findings of the Report or made them public?

HON M K FEATHERSTONE:

I wouldn't say any of the findings have been made public yet but some of the recommendations have actually been put into effect.

HON J L BALDACHINO:

When the Minister said in the last meeting of the House that only 700 houses were needed to solve the housing problem in Gibraltar, was he quoting the Report?

HON M K FEATHERSTONE:

No, Sir, this is the information that I was given from the Housing Department.

HON J L BALDACHINO:

Mr Speaker, when he mentioned that 700 houses were needed to solve the housing problem, I only want to know, Mr Speaker, was he referring that they were needed to solve the housing problem or that they were needed to solve the overcrowding situation? If he

doesn't want to answer, Mr Speaker, I am quite happy if he doesn't answer.

HON M K FEATHERSTONE:

I don't see how it arises, Sir, but what I would say is that with 700 houses if we didn't have the problem solved it would be as near solved as possible. The reason that there are 1,400 or 1,500 or 1,600 on the housing list often means that if you solve one person you can solve two or three others at the same time but this does not come from the Report.

MR SPEAKER:

Next question.

NO. 45 OF 1985

ORAL

THE HON J C PEREZ

Does Government agree with the Auditor's comments that the prospects for the financial viability of the Gibraltar Quarry Company are not encouraging?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, since the overdraft facility of the Quarry Co has been increased, the Company is in a position to purchase machinery for the production of aggregate. With such production, as I stated in the last meeting of the House, the Company should be adequately viable.

SUPPLEMENTARY TO QUESTION NO. 45 OF 1985

HON J C PEREZ:

Is the Hon Member saying that because the Company is now going to sell aggregate as well that that will put it on a financially viable footing?

HON M K FEATHERSTONE:

That is exactly what I have stated, yes.

HON J C PEREZ:

Would the Hon Member not agree that had the Government allowed the company to trade in cement it would have a much better chance of overcoming what the Auditor describes as the immediate prospects for the financial viability of the Company not being encouraging?

HON M K FEATHERSTONE:

I think the trading in cement might have made an improvement in the Company's viability but not nearly to the same extent as the production of aggregate will.

HON J C PEREZ:

If it is found, Mr Speaker, that the production of aggregate is not enough, will the Hon Member consider taking measures such as suggested by me in this House in making sure that Government contracts for sand and aggregate go to the Quarry Company to ensure the survival of the Company?

HON M K FEATHERSTONE:

That is something worthy of consideration.

HON J BOSSANO:

If the Hon Member thinks that allowing the Company the opportunity to produce aggregate as well as sand improves its financial viability, can he explain why he has not done it before?

HON M K FEATHERSTONE:

Mainly because we didn't have the money to purchase the equipment to produce the aggregate.

HON J BOSSANO:

Mr Speaker, isn't it the case that they still don't have the money, all that they are doing now is borrowing money which perhaps in the context of the Quarry Company is insignificant since the Government itself is borrowing £10m, but can the Government say why they were not able to give a guarantee in respect of an overdraft earlier than now if that would have improved the chances of viability of the Company?

HON M K FEATHERSTONE:

The Company did have an old crusher given to them which they thought they might be able to use but unfortunately it was in such a bad condition that it could not be used and therefore that could not have been used to produce the aggregate that might have been produced had it been in a reasonable condition.

HON J BOSSANO:

But isn't it the case, Mr Speaker, that the management of the Company has for some time been putting to the Government the view that the use of the rock produced as a result of the removal of sand would increase the prospects of viability of the Company and why has the Government taken so long to come down to this idea and as a consequence by the Minister's own admission diminish the prospects of viability of the company?

HON M K FEATHERSTONE:

When the management of the Company suggested that the rock could be used it had been hoped that the old crusher which I stated was given to us by the Royal Engineers, I believe, could be made into a workable condition. Unfortunately, after a certain amount of experimental repair on it it was aborted because it was not able to come into the condition that was required to produce aggregate.

HON J BOSSANO:

When did the Government take the decision that they would extend the necessary guarantee to enable the Company to increase its borrowing and consequently produce aggregate and therefore increase its prospects of viability?

HON M K FEATHERSTONE:

Somewhat previous to the last meeting of the House, Sir.

HON J BOSSANO:

Wasn't the Auditor of the Government aware of the Government's policy in this respect?

HON M K FEATHERSTONE:

No, I don't think the Auditor would know that, that would not come out in the Report for 1983.

HON J BOSSANO:

So the Minister is satisfied that the Auditor's comments on the accounts of the Company tabled at this meeting of the House was made in ignorance of Government policy as regards the future development of the Company?

HON M K FEATHERSTONE:

I would think the Auditor would know nothing about the basic policy of the Government in 1985 when he is doing the Report in 1983.

HON J BOSSANO:

But isn't it the case, Mr Speaker, that the Report takes the prospects of the Company up to November, 1984?

HON M K FEATHERSTONE:

No, the Auditor has, I think, made the comment that if this should continue into 1984 he still sees the same situation as ascertained in 1983. He hasn't even seen the 1984 figures so he cannot say definitely.

HON J BOSSANO:

Isn't it the case, Mr Speaker, that the Auditor's comments are signed and dated the 17th December, 1984, and that they refer to the prospects of the company as at the 30th November, 1984, according to the documents tabled at this meeting of the House?

HON M K FEATHERSTONE:

From what I understand the documents tabled were the accounts of the Gibraltar Quarry Company and the Principal Auditor's Report thereon, 30th November, 1983.

HON J BOSSANO:

Mr Speaker, will the Hon Member look at the statement signed by Auditor and therefore look at the date where the signature of the Auditor appears and will he confirm that the date there is the 17th December, 1984 and the reference to the prospects not being encouraging for financial viability are referred to the year ending the 30th November, 1984?

HON M K FEATHERSTONE:

Yes, he made that as a side comment after the comments up to 1983, saying if it continues in 1984 he doesn't see very much prospects of viability but because he did this in his own isolated ivory tower he is not aware of Government policy to produce aggregate.

HON J BOSSANO:

And therefore is the Minister telling the House that when the Auditor comes out of his ivory tower next year he will discover that as a result of the Minister's statement the Company is going to become viable?

MR SPEAKER:

No, next question.

NO. 46 OF 1985

ORAL

THE HON J C PEREZ

Has Government enquired why the volume of sales of the Gibraltar Quarry Company declined from £171,544 in the year ending November, 1982, to £68,368 in the subsequent year to November, 1983, and have not changed significantly in the year ending November, 1984?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Yes, Sir, the decline was due to no material being used as fill as happened in the year to 1982 for the distiller project.

NO. 47 OF 1985

ORAL

THE HON J C PEREZ

Has Government sought an explanation as to why the annual earnings of the previous General Manager of the Gibraltar Quarry Company rose from £16,158 to £24,980 between November, 1982, and November, 1983, when during the same period the sales of the company dropped from £171,544 to £68,368?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, the increase was owing to management charges and the earnings of the General Manager being amalgamated rather than shown separate as hitherto.

SUPPLEMENTARY TO QUESTION NO. 47 OF 1985

HON J BOSSANO:

How does the Hon Member explain that amalgamating two different sets of earnings produces a figure which is 25% higher?

HON M K FEATHERSTONE:

That was the terms of the contract of the General Manager and I would comment that his terms of contract had nothing to do with the actual amount produced.

HON J BOSSANO:

Mr Speaker, if the Government was employing the manager of the Gibraltar Quarry Company in the year to 1982 on a salary, can they explain why they felt it was necessary to increase the amount of money he was earning at the same time as the business of the Company was declining?

HON M K FEATHERSTONE:

As I said, the salary of the Manager had nothing to do with the actual production of the Company.

HON J BOSSANO:

Mr Speaker, isn't it the case that the Government has defended the position in this House of Assembly that the Gibraltar Quarry Company, notwithstanding the fact that it is 100% Government owned, operates in a commercial environment and isn't it normal in a commercial environment that the earnings of the people who manage a commercial enterprise are related to the success in its management?

HON M K FEATHERSTONE:

I wouldn't say that that is the general trend in all companies, I know of certain companies in England which are running at a loss and yet the manager is still getting the same salary as he was getting when they were running at a profit.

HON J BOSSANO:

Mr Speaker, we are not talking about a situation where he is getting the same salary, we are talking about a situation where the turnover of the Government owned company declined and by inverse ratio the emoluments of the person running the enterprise increases. Did the Government have any say at all as owners of the Company in the remuneration of its manager?

HON M K FEATHERSTONE:

No, the manager's salary was stipulated in a contract when he first joined the company to run it for four years.

HON J BOSSANO:

Mr Speaker, if the contract was to run for four years, what explains the change in the terms of the contract at this particular juncture?

HON M K FEATHERSTONE:

I think there was a question in the House of Assembly a year or two years ago in which they did not wish the management charges to be classified as a separate item to the manager's salary.

HON J BOSSANO:

Mr Speaker, I think the Hon Member is referring to a situation where the manager appeared to be getting two sets of income, one through a management and one in his own right. What we are questioning is why there should be an increase since presumably the original figure includes the sum earned by the manager through the company and the subsequent figure, according to the Auditor's comments, appears to show a substantial increase?

HON M K FEATHERSTONE:

That was part of the contract, Sir. I would say that that contract has now elapsed and we have a new manager at a considerably lesser salary.

HON J BOSSANO:

Mr Speaker, we recognise the fact that the new manager earns a

considerably lesser salary no doubt because he happens to be a native instead of an imported expatriate, which is the usual practice, but we are asking the Government to give an explanation since the information is now being tabled at this meeting of the House why they supported this policy?

HON M K FEATHERSTONE:

I have no more to state than I have already stated, Sir.

MR SPEAKER:

Next question.

NO. 48 OF 1985

ORAL

THE HON J C PEREZ

Has Government enquired why the amount of £2,768 being personal income tax of the previous General Manager of the Gibraltar Quarry Company in the year ending November, 1982, was paid by the Company?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, this was part of the terms of the contract of the Manager who was to receive a tax free salary.

SUPPLEMENTARY TO QUESTION NO. 48 OF 1985

HON J BOSSANO:

Mr Speaker, under the law of Gibraltar is it permissible for other companies which are not 100% Government owned to give their employees tax free salaries?

HON M K FEATHERSTONE:

I would not see that there is anything contrary. If a company wishes to give a manager a tax free salary as long as they pay the income tax relevant to that salary to the Government I think Government is satisfied.

HON J BOSSANO:

Can the Minister explain whether, in fact, in assessing the emoluments on which tax has to be paid, the amount is grossed up to take account of the tax or not?

HON M K FEATHERSTONE:

I am afraid, Sir, I do not work out these figures, I leave that to the Income Tax Assessor and the Accountant, Sir.

HON J BOSSANO:

Mr Speaker, I am asking the Government, since this is at the end of the day a liability on public funds since we are in this House ultimately responsible for paying the overdraft, can the Minister say whether he has made any enquiries to find out whether the amount of tax assessed was assessed on the gross income inclusive of the tax or on the net income exclusive of the tax?

HON M K FEATHERSTONE:

As I said, Sir, that is something which I leave to the Accountant and the Commissioner of Income Tax to meet on occasions and work out what is the actual amount to be paid. I accept the Accountant's figures, I don't look into them myself on a personal basis because I consider that the Accountant and the Income Tax Assessor know what they are doing.

HON J BOSSANO:

Would the Minister agree, Mr Speaker, that the information ought to be freely available so that other employers in Gibraltar who may be able to give their employees preferential tax treatment can take advantage of this facility if it is something that is available to the Government owned Gibraltar Quarry Company?

HON M K FEATHERSTONE:

If the Income Tax Assessor wishes to do so I don't see any reason why not.

HON J BOSSANO:

No, Mr Speaker, I am asking the Minister whether he would agree as a matter of policy that if he permits a situation to.....

MR SPEAKER:

With respect, I have to call your attention, it is not the Minister who is permitting anything, it is the Gibraltar Quarry Company and the administration of the Gibraltar Quarry Company is not within the province of the Minister's responsibility.

HON J BOSSANO:

Will the Minister, who is the Chairman of the Gibraltar Quarry Company and the person who is answering in this House for the overdraft facility which is being guaranteed by the Government of Gibraltar, not agree with me, Mr Speaker, that the very least that he ought to satisfy himself on is that the way that the Gibraltar Quarry Company is permitted to perform in relation to taxable emoluments of its employees as a private company should be publicly known so that other private companies are able to use the same facilities?

HON M K FEATHERSTONE:

Mr Speaker, I see nothing against that, Sir.

HON J BOSSANO:

So will the Minister then make the necessary enquiries so that

he will be able to give me an answer to this question at the next meeting of the House?

HON M K FEATHERSTONE:

Yes, I will enquire into that, Sir.

MR SPEAKER:

Next question.

NO. 49 OF 1985

ORAL

THE HON M A FEETHAM

Can Government confirm whether the proposals received for the touristic development of the Rosia area have been considered by the Land Board?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Sir, the Land Board has not yet considered the two outline proposals received for the development of Rosia area. The selective tendering procedure stipulated in the Brochure requires that these be studied initially by the Development and Planning Commission on planning grounds. The Land Board will then decide whether to invite the parties to tender for the site.

NO. 50 OF 1985

ORAL

THE HON M A FEETHAM

Can Government state whether Rosia Bay is scheduled to be handed over in mid-1987?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

No, Sir. The agreement reached with Her Majesty's Government envisaged handing over of their site as soon as work on the development is ready to proceed. This will depend on progress made in the tendering procedure which I explained in reply to question No. 49. Although no firm date can be given at this juncture, it is expected that the transfer will be effected much earlier than mid-1987.

NO. 51 OF 1985

ORAL

THE HON M A FEETHAM

Was Government aware when they announced the "package" in July, 1983, that it would take at least four years to obtain possession of the Queensway site?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Answered together with Question No. 52 of 1985.

NO. 52 OF 1985

ORAL

THE HON M A FEETHAM

Is Government happy with the fact that the site for the Queensway Development Project is programmed to be transferred to them in mid-1987?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Sir, in July 1983, when the Dockyard package was announced, the Government was aware that reprovisioning of existing MOD facilities on the Queensway Site would be necessary and that it would be carried out by the MOD at their expense.

The time scale involved only became clearly apparent when the MOD's planned moves were presented to the Gibraltar Government.

The Government was unhappy with the proposed time scales. Lengthy discussions were therefore held locally in order to accelerate the various moves whilst at the same time ensuring that optimum use of the relocated sites was made.

Further discussions were held with Mr Lee, Under Secretary of State for Defence Procurement, when he visited Gibraltar in March last year as a result of which the overall programme was reduced by a year.

Although the Government would have preferred an even earlier date handover it recognises the difficulties encountered in formulating a relocation plan which, in addition to the time factor, must also take into account Government's future plans for the development of the alternative MOD sites and adjoining areas.

SUPPLEMENTARY TO QUESTION NO. 51 AND 52
OF 1985

HON M A FEETHAM:

Will the Minister state whether they consider that this is the best they can achieve in the light that this particular development was part and parcel of a package on which the Government were basing their economic development or the basis of their economic planning for the next four years?

HON A J CANEPA:

At the time, back in July, 1983, the kind of timescale that we envisaged was around two and a half years. We did not realistically think that a developer could make a start on Queensway

earlier than two and a half years. Having regard to that and having regard to the very detailed presentation of proposals that has been made to the Government by the Flag Officer, Gibraltar, who is well known for a very helpful attitude towards the problems which Gibraltar is going through, having regard to these two factors, I think that the cutback by one year agreed to by Mr Lee is the most that we can realistically expect.

HON M A FEETHAM:

When does the Minister envisage that reprovisioning will take place or the start towards reprovisioning?

HON A J CANEPA:

I think a start has already been made to reprovisioning in that the Ministry of Defence are beginning to concentrate their activities in the Cormorant area.

HON M A FEETHAM:

Do I take it from the reply that the Hon Minister has given here today that his determination expressed in March, 1984, that had he known that the package entailed the handing-over in five years time which has been reduced to four, that he no longer envisages going back to the ODA for grants for a short to mid-term development or to assist, which is what he said to the House in March, 1984?

HON A J CANEPA:

I think the Hon Member is referring to aid over and above the £13m and over and above what is envisaged in the next development programme. My thinking of March, 1984, has been overtaken by the fresh impetus which the Government hopes to give to tourism and I think that it would be in the process of arguing that we require assistance on the development of tourist orientated projects that this factor would be brought into the equation. We would be making the point to ODA but the economic difficulties which Gibraltar is suffering have been exacerbated by a longer timescale in handing over and that we would expect to be compensated accordingly.

HON M A FEETHAM:

Can the Minister please state what is the change of circumstances which he envisages will perhaps do away with the need to seek extra ODA in the short or medium term?

HON A J CANEPA:

I do not think that the circumstances have changed and that we do not require that aid, we do. What I am saying is that I would expect to argue that that aid should be in the context of the approach that we hope to make to the ODA for funding, for assistance on tourist orientated projects.

HON M A FEETHAM:

It is just that when we asked similar questions in March, 1984, the Minister was very determined in stating that the thrust of the package was done at a very high level, he quoted Mrs Thatcher, and that he would not have been a party to the signature had he known the fact. What we want to know today is what have been the changes whereby that determination seems to have mellowed today except that perhaps we have got one year less than the five years originally envisaged.

HON A J CANEPA:

I don't think it is a question of the determination being less, I think it is a case that the timescale of the time when it will be necessary to exercise that determination has necessarily been put back by the new policy which the Government is having on tourism which itself, in my view, is being delayed somewhat by the consideration which all the Committees are giving and which is taking time. I would have liked to have seen an approach to ODA much earlier on this specific issue than, in fact, is going to be the case and unless we are very careful and the Committees get on with it to an even greater extent - I realise that it is a very laborious work and that a lot of meetings are being held - but the danger is that it is going to be caught up with the other development aid submission and then we are going to get the answer: "We will look at it overall". ODA are going to be given a way out so I think there is a need for the Government to be allowed to be able to get on with putting in a specific submission on tourist orientated matters which, in my view, is now about nine months overdue.

HON: M A FEETHAM:

That is the answer I wanted.

MR SPEAKER:

Next question.

NO. 53 OF 1985

ORAL

THE HON M A FEETHAM

Can Government confirm whether the proposals received for the development of Queensway have now been considered by the Land Board?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Yes, Sir. The Land Board has considered the seven proposals received and has selected the following four parties to tender for the site: -

1. Wimpey-Trocon Joint Venture
2. Marples International Limited
3. Gibel Tarik Developments Limited
4. Taylor Woodrow International Limited

SUPPLEMENTARY TO QUESTION NO. 53 OF 1985

HON M A FEETHAM:

As a matter of information, I take it that the proposals fall in line with the guidelines and architecture envisaged for the projects as outlined in the brochure which the Government published?

HON A J CANEPA:

Broadly in line. The guidelines that were laid down in the brochure were not intended to be exhaustive, they were intended to be an indication, guidelines and nothing more. There is nothing to stop a prospective developer from submitting something that may not have been covered in the brochure and therefore the position is that the next stage is the preparation of actual tender documents once the actual development conditions which have already been agreed to locally by the Government and by the Ministry of Defence, by the Heads of Services, once these have been cleared by the Ministry of Defence in London then we can go formally to the next stage which is the preparation of tender documents.

HON M A FEETHAM:

Do I take it from previous answers that the developers are now happy with the fact that the site may not be handed over until mid-1987 and development will start some time after that, is there a problem now?

HON A J CANEPA:

I am sorry, I didn't get the second part.

HON M A FEETHAM:

Is there any problem envisaged now? We have got the developer, we will possibly have the site in mid-1987, will there be any problems in getting the development off the ground?

HON A J CANEPA:

I think the timescale, if anything, may be helpful to them because the magnitude of the project is such that many millions of pounds are involved and they have to raise the necessary finance. They will also have to prepare very detailed plans but the financial aspect in my experience of dealing with developers, is a prime consideration. We are really talking therefore of, let us say, slightly over two years and I think they will be grateful for that time.

MR SPEAKER:

Next question.

NO. 54 OF 1985

ORAL

THE HON M A FEETHAM

Will Government state whether any further steps have been taken by the MOD, the developers and A & P Appledore to implement the agreement reached in principle to allow work to commence on the multi-storey car park at Casemates?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Mr Speaker, at the meeting of the House held on 30 October last year, I gave a detailed explanation, in reply to Question No.167, of the tripartite agreement and stated that the next stage was for the Public Works Department to complete the plans for the conversion of North Pavilion and a specification of works for the developers.

The plans have been completed but the preparation of the specification of works is still in progress. Nevertheless, the developer is now pursuing the possibility of accelerating further the development by seeking alternative accommodation at his expense for GSL's employees while conversion works at North Pavilion are carried out.

In this connection I must also clarify that the plans provide for five dwellings instead of six as previously stated, the remaining two flats being made available by the developer.

NO. 55 OF 1985

ORAL

THE HON R MOR

What is the situation as regards the handover of the Gibraltar and Dockyard Technical College?

ANSWER

THE HON THE MINISTER FOR MUNICIPAL SERVICES

Mr Speaker, I have given you notice of my intention to make a statement on this matter.

NO. 56 OF 1985

ORAL

THE HON J L BALDACHINO

Can Government state which are the next flats which are being offered for sale to sitting tenants and when is this planned to take place?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Mr Speaker, this question was partly answered in reply to Question No. 168 of 1984 when I stated that the Government was contemplating the sale of some 250 units in certain estates such as Rosia Dale, St Jago's, St Joseph's, Medview Terrace and Town Range maisonettes.

I also stated that neither the Crown Lands Department nor the Housing Department had the adequate staffing resources to effectively promote the scheme.

It has therefore been decided to form a team from the Crown Lands Department, the Housing Department, the Public Works Department and the Economic Planning Unit in order to market the sale of these flats.

The team held its first meeting last week and a concerted effort will be made to commence the sale as soon as possible.

SUPPLEMENTARY TO QUESTION NO. 56 OF 1985

HON J BOSSANO:

Mr Speaker, could the Hon Member explain why it is that this special marketing effort is required for other Government tenants and was not required for Shorthorn?

HON A J CANEPA:

Mr Speaker, we have learnt a great deal from the sale of Shorthorn which has been a very, very protracted affair. Shorthorn was offered for sale back in 1979 when the generality of Government housing estates were offered for sale. Apart from the Town Range maisonettes where there were some indications that one or two tenants were interested, it was only the people at Shorthorn who took up the matter seriously and it has been a very difficult and very long process. We have learned a great deal, as I say, in the process. One of the things that we have learned is that the resources of any one Department such as Crown Lands are totally inadequate to deal with this kind of venture.

HON J BOSSANO:

Whilst recognising that the Government may have very difficult tenants living in Shorthorn, Mr Speaker, is the Government saying that they have been in negotiation with the tenants in Shorthorn since 1979?

HON A J CANEPA:

No, that is not the position. I think an Association was formed some time later. I can inform the House that perhaps one of the most difficult tenants in Shorthorn doesn't sit to the right of me but was unsuccessful in his attempt to become a Member of this House.

HON J BOSSANO:

Mr Speaker, would it be correct to say that the scheme which was initiated by the Government in 1979 was put on ice because of the poor response and effectively has been resuscitated recently and that since it has been resuscitated the completion in Shorthorn has, in fact, been a relatively quick thing, it isn't that the thing has been a constant negotiation since 1979? Is it not the case that the scheme was not proceeded with initially, that it has been re-introduced as the Government said they were going to do shortly after the election, in fact, and that if one takes the time-scale since the last election the thing has gone fairly rapidly and why cannot the same thing be done on other Estates?

HON A J CANEPA:

No, it hasn't gone fairly rapidly since the last election. Lawyers, even though he sits to the right of me are very, very difficult people on both sides.

MR SPEAKER:

And to the left of you.

HON A J CANEPA:

And in the Chair - they are very, very difficult and both the Crown Counsel of the Government and the lawyer engaged by the Shorthorn tenants, nothing to do with the Gentleman to the right of me, and the lawyer engaged by the Shorthorn Tenants' Association were involved in very protracted to-ing and fro-ing so that it took an initiative on my part and on my Colleague on my left who was Minister for Housing and then the Hon Mr Perez when he became Minister for Housing, to try to deal with many minor matters that were coming up continuously. The conditions of sale for the sale of these 250 flats are going to be altered,

they are going to be made much more liberal, much more attractive because undoubtedly in 1979 the Government was placing far too many restrictions to make the sale attractive. There were other reasons why the thing was not successful but undoubtedly the restrictions placed was one of those. Perhaps, I should also add for public information that, of course, the sale price originally envisaged for Shorthorn and for other Estates has been the subject of two or three increases in the intervening period having regard to the increases in rent.

HON J L BALDACHINO:

Mr Speaker, I think that the Hon Member did answer it in Question No. 168. The question of the prices for sale, will the prices of the sale of those flats be based on the same principle as those of Shorthorn or will they be increased because of the rent increases?

HON A J CANEPA:

The conditions will be more favourable, if anything, than Shorthorn.

HON J L BALDACHINO:

As I understand it, will the price be higher due to the increases or will the Government expect the price of the rent that was established when they sold Shorthorn?

HON A J CANEPA:

The difficulty here, Mr Speaker, is that amongst the Estates that I have mentioned, St Jago's and St Joseph's hadn't been built at the time and the prices arrived at do reflect the cost to Government of the construction of these dwellings. The Hon Member may remember that prior to Kasia Dale being allocated at the beginning of 1980, the flats there were offered for sale and the sale prices for a four-room flat the price was, I think, of the order of £27,000. That reflected the cost to Government of building those dwellings so in the more recent ones such as St Jago's and St Joseph's I think we can expect to find that the price will be higher because it has cost Government a great deal more.

HON J L BALDACHINO:

Maybe I didn't explain it properly. I am not saying that the prices should be the same as for Shorthorn, what I am saying is that with regard to Shorthorn apparently the sale was based on the rents and the rates paid prior to the 1st July, 1984.

HON A J CANEPA:

Not just rents and rates, that was one of the considerations.

HON J L BALDACHINO:

And what I am saying is will that consideration be taken when the other flats are sold, instead of putting the ingredient for example, the rents and rates paid at the current time will it be taken back to before the 1st July, 1984, and then it would be almost as if they had sold them at the same time as Shorthorn has been sold?

HON A J CANEPA:

I think the point the Hon Member is making is with respect to the last increase in rent of July, 1984. The rent ingredient that will go into the price for which the flats will be offered will reflect the latest rents, the current rent, so if we are able to make progress over the next few months the offer will be based, to the extent that rent is a factor on the rent of July, 1984.

HON J BOSSANO:

Mr Speaker, wouldn't the Minister agree that if the Government is committed as a matter of policy to giving tenants an opportunity to buy the house they occupy and they are unable to do it because of administrative difficulties, it would seem to be wrong to prevent willing tenants from buying at the price that they might buy it because they have to wait till the Government is able to put its policy into effect?

HON A J CANEPA:

Yes. If we are able to make an offer of sale within the next few months in respect of these 250 flats which let me say that it isn't that we are not dealing with more than 250 because we cannot cope but because we have selected Estates which we think are rather more attractive for sale. I think it would be fair to say that if the Government were to be approached by the tenants of a block of flats elsewhere and that the majority of them or the same kind of proportion, two-thirds or three-quarters were willing to buy, I think the Government should make a positive response to that and that that response should take that factor into account, they should not be penalised by any subsequent rent increases that may have occurred.

HON J BOSSANO:

I take the point but it wasn't the question that I was asking although I accept that that is another aspect that one would need to look at, Mr Speaker. My question was, if today the Government has got a policy which incidentally is one with which we do not agree but that is the Government's policy, to sell the flats to

their tenants, if the Government as a landlord is willing to sell and the tenant is willing to buy and the thing cannot come off because the machinery isn't there, isn't it wrong that the delay produced by an inadequate machinery should result in the price going up the longer it takes the Government to get the thing off the ground?

HON A J CANEPA:

Yes, I accept that, that is why I am saying that even in making an offer itself we should base ourselves on current rent levels and if other people have got to take their turn in the queue, the offer that is made to them should be on the rent levels that were agreed at that stage and they should not be penalised by any increases in rent that could have occurred in the intervening period.

MR SPEAKER:

We are now debating and this is not the time to do so. We are trying to establish an equitable policy at question time and we cannot do that.

HON J BOSSANO:

But, Mr Speaker, didn't the Minister say that when the 250 houses are offered they will be offered with an element of the price being determined by what is the rent then.....

MR SPEAKER:

The cost of construction, I think.

HON J BOSSANO:

No, I think the Hon Member said that an element in the price will be the rent and they are not ready to offer the 250 houses now but when they are offered the rent that will be taken into account will ^{be} the rent operating then and then could be, presumably, 1985 or 1986 or whenever it is. What I am saying to the Minister is, if the Government is committed today to that policy and if the tenants are willing to buy today and if that is not materialised because the Government machinery cannot cope with it, isn't it wrong that when the thing materialises the rent that will be used will be the rent at that time rather than the rent today?

MR SPEAKER:

Precisely, you are suggesting an equitable policy.

HON A J CANEPA:

I think he has a valid point, yes. I will argue for it when the time comes.

MR SPEAKER:

Next question.

NO. 57 OF 1985

ORAL

THE HON J E PILCHER

Can Government state how much of the £13m 1981/86 Aid Programme is going to projects which will help tourism and list the projects and the sums of money involved?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Sir, of the £13m Development Aid Programme, the sum of £12,418,000 has been allocated to the following projects:

Salt and Potable Water Systems	327,000
Pumping Station - Catalan Bay	70,000
Pumping Station - Hesses	218,000
Desalination Plants	6,998,000
Causeway	1,400,000
Unstuffing Shed	331,000
Power Station	3,035,000
Vehicles and Equipment - PWD Cleansing Section	39,000
	<hr/>
	£12,418,000
	<hr/>

Although there is no specific tourist orientated project included above, the projects I have mentioned will enhance Gibraltar's amenities and infrastructure, thereby making it a better place for both residents and tourists alike.

SUPPLEMENTARY TO QUESTION NO. 57 OF 1985

HON J E PILCHER:

Does the Hon Minister not agree with me that none of these projects are directly involved in tourism.

MR SPEAKER:

He has stated that it is not tourist orientated but that it will enhance the infrastructure.

HON J E PILCHER:

I would like to ask the Minister what he thinks of the quote of Baroness Young in the House of Lords when she said in answer to questions from different Lords trying to get aid for tourism in Gibraltar: "My Lords, as I indicated in my original answer, considerable part of the current £13m aid programme is going to projects which will help tourism in Gibraltar", when the two

projects which would have helped tourism, pedestrianisation and the reclamation of Waterport, were both taken away from the aid programme by the ODA?

HON A J CANEPA:

I deplore the statement that Baroness Young made particularly when she tried to give the impression that the Viaduct Causeway had something to do with improving access for tourists into the town area when in fact the Viaduct Causeway has to do with maintaining access for cargo to be brought into the town area.

MR SPEAKER:

Next question.

NO. 58 OF 1985

ORAL

THE HON R MOR

Mr Speaker, how many persons are employed on ships registered in Gibraltar?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Sir, I am assuming that the Hon Member is referring to Merchant vessels as no record is available of the number of persons employed on pleasure yachts registered at Gibraltar.

To date 66 vessels are registered at this Port with an aggregate total complement of 1,285.

SUPPLEMENTARY TO QUESTION NO. 58 OF 1985

HON R MOR:

Mr Speaker, are all these persons paying the social insurance contributions?

HON A J CANEPA:

Not if they are paying social insurance contributions elsewhere but, for instance, if they are paying social insurance contributions in Great Britain or in Greece then they may not be paying social insurance contributions in Gibraltar as well.

HON R MOR:

But according to the guide on insured persons, on the social insurance system here in Gibraltar, it says: "In general everyone over the age of 15 who is self-employed or employed in Gibraltar or on a ship registered in Gibraltar, is compulsorily insurable".

HON A J CANEPA:

Yes, but I doubt whether that part of that guide has been altered significantly for many years. The first guide that was so produced I think goes back to the very early years of the scheme, probably back to the 1950's. Since our access to the EEC, it is a general rule regarding social security payments that if one is paying full contributions in another Member State you don't have to pay contributions in the country in which you are employed. We already have that situation with regard to expatriate employees in Gibraltar, if they are paying in UK they do not pay here and the same applies to persons employed on ships registered in

Gibraltar. That is my understanding, I may be wrong, I think I would have to check with the Labour Department and I am trying to give an off the cuff answer based on my recollection of the matter because I took the question at its face value, that the Hon Member wanted information. The Hon Member should have asked: "Are persons employed on ships registered in Gibraltar liable for payment of social security contributions?", and then we would have had a better answer. I think one has to be careful. When they ask questions, Mr Speaker, such as: "When does the Hon Minister propose to visit Aberdeen?" And the Minister says: "I have no plans to visit Aberdeen". "Isn't the Hon Minister aware that there is a very serious unemployment problem in Aberdeen and doesn't he care about these people?" I thought he wasn't being devious, I took it at its face value.

MR SPEAKER:

In any event it is not for the Minister to answer as to what the requirements of the law are and whether they are being implemented.

HON J BOSSANO:

Mr Speaker, the information as to the liability to provide payments for social insurance, surely, is not something that we can ask under the Rules of the House because that is available.

HON CHIEF MINISTER:

Perhaps the guide isn't up to date.

HON J BOSSANO:

Well, this is the guide issued by the Government, Mr Speaker, I believe in January, 1984, and I have no doubt that if they are in the process of preparing one for January, 1985, it will say the same thing.

HON A J CANEPA:

That is what I am afraid of.

HON J BOSSANO:

Presumably the guide reflects the law. One would assume that if there has been no change in the law what the guide says is what the law says and therefore if the law says.....

MR SPEAKER:

Perhaps the question should have been: "Is the guide in consonance with the law?"

HON J BOSSANO:

No, we are asking how many people are employed on ships registered in Gibraltar?

MR SPEAKER:

And you have got your answer.

HON J BOSSANO:

And having had that answer, since the guide produced by the Department says that they are all, 'compulsorily insurable' then surely, it is legitimate to ask how many of them are insured under the Social Insurance Ordinance?

HON A J CANEPA:

I will pursue the matter with the Labour Department either to seek confirmation whether my answers are correct or not and if they are I shall ask the Labour Department to qualify the guide.

MR SPEAKER:

Next question.

NO. 59 OF 1985

ORAL

THE HON J E PILCHER

Have Government now taken over responsibility for the waters adjacent to the Gibraltar Shiprepair and if so are they now responsible for the control of oil pollution in these waters and spillage that might occur therein?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

No, Sir, the waters referred to still remain Admiralty Waters. Overall responsibility for the control of oil pollution in these waters will therefore continue to lie with the MOD.

NO. 60 OF 1985

ORAL

THE HON J C PEREZ

Will building contractors be able to obtain supplies of sand direct from Spain as from next month on the strength of their licence to trade as building contractors provided it is for their own use?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Sir, importation of sand is governed by the Imports and Exports (Control) Regulations. Under this legislation a licence to import sand must be obtained from the Director of Public Works.

SUPPLEMENTARY TO QUESTION NO. 60 OF 1985

HON J BOSSANO:

Mr Speaker, didn't the Government in the previous House of Assembly say that persons trading in Gibraltar and holding a valid trading licence would be allowed to import commercial quantities of goods in accordance with the licence and we are not talking here about a licence to sell sand, we are talking about somebody importing sand for their own use, is the Government saying that contractors will not be permitted to purchase sand outside Gibraltar directly for their own use?

MR SPEAKER:

The answer you have been given is that they will not be entitled unless they obtained an import licence.

HON J C PEREZ:

Mr Speaker, the licence from the Public Works is presumably to trade in sand in Gibraltar, to sell sand to contractors.

HON M K FEATHERSTONE:

To import.

HON J C PEREZ:

To import sand for your own use.

HON MAJOR F J DELLIPIANI:

The legislation, in fact, was there to protect the sand importer because he had to create a stockpile. This is the idea of the licence and this is where the Director of Public Works

becomes involved in this licence because you could bring in other materials which could be interpreted as sand but could be sand for sandblasting and not necessarily sand for the original stockpiling of sand.

HON J C PEREZ:

Mr Speaker, although I am not quite satisfied that that is the case after answers from the Hon the Minister for Economic Development and Trade in the last House in terms of what was commercial quantities for importation, can the Hon Member state whether this is true of other building materials or only of sand?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I can only speak in respect of sand which is something hereditary in my own Department. The idea of this particular control, as I said, was to protect the importer because he had to stockpile. I don't know how it affects any other kind of importation and I don't think that it is within the bounds of my Ministry to answer that question.

HON J C PEREZ:

I am asking the Government, really. Can Government say whether building contractors will be able to obtain supplies of other building materials which are not sand from Spain as from next month on the strength of their licences?

MR SPEAKER:

In fairness, I think that is a new question which I think Government would answer but they would require notice.

HON J C PEREZ:

Except, Mr Speaker, that sand was only there coincidentally as an example and nothing else.

MR SPEAKER:

But, anyway, the Government has been nice enough to say that they will give you an answer at a later stage.

HON M A FEETHAM:

Do I take it that the Hon Member opposite is saying that providing the building contractor was able to obtain an import permit he would be able to import sand or is it that the Imports Ordinance relating to the importation of sand protects the concessions given to the existing importer?

HON MAJOR F J DELLIPIANI:

Mr Speaker, as I said before in my answer, I think the whole idea of this Regulation was exactly to protect the importer because at that time, and I still think it is the case, there is only one importer and he was required to have a stock in Gibraltar and it would have been unfair for the chap to have had a requirement to have a stock of sand and at the same time have other people importing.

HON M A FEETHAM:

I understand that, that is understandable.

HON MAJOR F J DELLIPIANI:

And that is as far as I know of the history and I don't know anything else about the thing. I didn't know I had to answer this question until two days ago.

HON M A FEETHAM:

But what we are seeking from Government is will the position change as of next month? This is what we are asking.

HON CHIEF MINISTER:

I know what Members opposite are aiming at and that is the statement made which I think states the law properly, that importation of goods in commercial quantities can only be brought in by people who have got a licence to deal in those goods. Whether a building contractor includes a building contractor deemed to have a licence to import materials for himself is a matter which I think we ought to look at, I don't know, I appreciate what the point is and I know that it was my Colleague Mr Canepa who dealt with that matter. I would imagine that what we want to protect is the people who have to buy and not to get a flooding of people offering stuff here and the people who are in the trade not having the protection and that is the people who need the materials. Perhaps in the course of the Committee Stage of the Bill we may be able to get some information on that and I will give it but I think that is the point that the Hon Member is looking for.

HON J BOSSANO:

Mr Speaker, could I ask the Hon and Learned Attorney-General whether in his view to prohibit the importation of sand for the use of a contract by a building contractor would be in restraint of trade under EEC Rules?

MR SPEAKER:

Mr Bossano you are asking for free legal advice.

HON J BOSSANO:

Mr Speaker, isn't the Hon and Learned Attorney-General here to give free legal advice to Members of the House of Assembly or not?

MR SPEAKER:

No, not really.

HON J BOSSANO:

Mr Speaker, I think it is important because what we are trying to establish is quite specific: Can a building contractor buy sand outside Gibraltar?

MR SPEAKER:

And the answer has been not unless he gets an import permit.

HON J BOSSANO:

And therefore I am asking the Hon and Learned Attorney-General, does he accept that the answer that we have been given is contrary to the requirements of the Treaty of Rome in respect of removing restrictions which restrain trade?

HON ATTORNEY-GENERAL:

I will certainly consider it, Mr Speaker, and let the Hon Leader of the Opposition know but off the cuff I do not know.

MR SPEAKER:

Next question.

NO. 61 OF 1985

ORAL

THE HON J E PILCHER

Can Government now state what will be the annual salary of Mr Brian Abbott as General Manager of the Gibraltar Shiprepair Limited and what allowances will be paid over and above this salary?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, as I explained in answer to Questions 37 and 106 of 1984, the remuneration of the Managing Director of Gibraltar Shiprepair Ltd was met from funds provided by ODA under their consultancy agreement with A & P Appledore. This arrangement was to terminate on the 31 December 1984. The Managing Director's remuneration is therefore a matter to be considered by the Board of Gibraltar Shiprepair Ltd.

SUPPLEMENTARY TO QUESTION NO. 61 OF 1985

HON J E PILCHER:

Has the remuneration of Mr Brian Abbott been agreed by the Board of Gibraltar Shiprepair Ltd?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I understand, Mr Speaker, that a decision has not yet been taken.

HON J E PILCHER:

Am I to understand, Mr Speaker, that we will be told when it is agreed or that we are being told that we won't be told, which of the two?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

As I explained to the Hon Member on an earlier occasion, the salary of the managing director is something which will be made public, indeed, I think that they will be obliged to do this under the Companies Legislation so it certainly will be made known in due course.

HON J E PILCHER:

Mr Speaker, he has told me this before on three different occasions because I have been asking this in three different meetings and the answer was always, yes, it would be made public, yes, Mr Speaker, but it appears to me that we will have to wait for another House to see whether we can get an answer.

MR SPEAKER:

You will have to wait until it has been agreed.

HON J BOSSANO:

I take it that Mr Brian Abbott is actually being paid at the moment. The Hon Financial and Development Secretary has said that ODA stopped paying him in December, I take it that the poor man has not been without a wage since the 1st January.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Hon Member's concern for the welfare of Mr Brian Abbott is certainly touching, Mr Speaker. I think the answer is that this is a matter for Gibraltar Shiprepair Ltd, I don't know.

HON J BOSSANO:

But would the Hon Member not agree that since the future viability of the company is a matter of concern to this House since the company was set up with £28m of UK taxpayers' money for the benefit of the people of Gibraltar, we must of necessity concern ourselves with how much of that money is actually being used for what purposes, would the Hon Member not agree with that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, I think that the people of Gibraltar will share the interest of the Hon Member in the welfare of Mr Brian Abbott in view of the context of his remark and I am sure that his salary is a matter which is on the agenda of the Board's next meeting.

MR SPEAKER:

Next question.

NO. 62 OF 1985

ORAL

THE HON J E PILCHER

Can Government state what will be the total monthly cost to the Gibraltar Shiprepair Limited of the salary and allowances of the expatriate managers in their payroll?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, I do not have information on the payroll costs of expatriate managers employed by Gibraltar Shiprepair Limited. I have passed on the Honourable Member's request for this information to the Company.

SUPPLEMENTARY TO QUESTION NO. 62 OF 1985

HON J E PILCHER:

Mr Speaker, I looked at the statement on the GSL made by the Chief Minister and in trying to ascertain the questions I was going to ask the House on the GSL I used these guidelines and one of those guidelines was, in fact, in general terms, the progress of the company towards financial and commercial viability. It is a matter which affects the long term financial and commercial viability, the pay structure that we are paying expatriate managers. Is the Government saying that they don't know or is the Government saying that they won't answer? This is what I want to know.

MR SPEAKER:

No, with respect, I think you have got a most definitive answer this time. You have been told: "We have not got the information, we are trying to get the information and then it will be given to you".

HON J BOSSANO:

In this House?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I said I had passed on the Hon Member's request for this information to the company because I think this is a matter of detail about the company's costs which is unreasonable, again, against the background of the Chief Minister's statement of what the Government would answer for in the House, to expect the Government to provide this information. The Government will simply be acting as a ferry service for information from GSL to the Hon Member, he could just as easily ask for it himself.

HON J BOSSANO:

Mr Speaker, I think this is an important point of principle because the Hon and Learned Chief Minister made a statement of policy recently as to what would be the nature of the questions that would be answered by the Government in this House and one of the matters was the financial viability of the company and its chances of reaching viability and the salary and allowances of 46 managers in total, we are not asking what each person is getting, but total cost of the expatriate managers which is £½m a year or £750,000 a year have a direct impact on the profitability of the company on its ultimate success and therefore we are not prepared as Members of the Opposition to address our questions to employees of the Company. We are asking the Government, whose responsibility it is to answer to the people of Gibraltar for the eventual viability of the Company, to give us at some stage, when they are ready, what it is going to cost them to have it managed by expatriates.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, this is, of course, a matter of interpretation of the statement which the Chief Minister made. It is quite clear that the reference which the Hon Member opposite has quoted in general terms, the progress of the company towards financial and commercial viability.....

MR SPEAKER:

I think we must take each particular instance as it comes before the House insofar as information is concerned as to whether it comes within the province of the Government to answer or whether it is within the province of the company to be responsible. We cannot take a general line now because there is no doubt that the Government as shareholder may be able to answer certain matters but which do not affect the day-to-day running and administration of the company. In other words, I will most certainly apply the same principles which have been applied all along to the Gibraltar Quarry Company.

HON J E PILCHER:

I was just going to say that the Chief Minister was in the House and the statement was made by him and I would like to know his interpretation.

HON CHIEF MINISTER:

But you haven't asked me.

HON J E PILCHER:

The Financial and Development Secretary stood up.

HON CHIEF MINISTER:

The point is that these are the remnants of the temporary Chairmanship of the Financial and Development Secretary and I thought it was only fair that matters of this detail should be dealt by him. I stand by the statement which was not made lightly and I thought, with respect, Mr Speaker, that that would be a guide to you as to what questions would be allowed when they are put in for the purposes of the House and that is, I think, mainly intended also for Members, of course, but also as a guide because it would not be practical to keep on allowing questions and our saying that these do not come within the parameters of the statement made. The statement was made in very general terms and as the Financial Secretary said it is a matter of interpretation but the progress of the company towards financial and commercial viability can mean anything; buying a new tyre for a lorry or whatever it is and therefore there are certain areas at which we must draw the line.

MR SPEAKER:

Most certainly.

HON J BOSSANO:

May I ask the Hon and Learned Chief Minister who made the original statement whether he agrees with us that for us to want to know whether the cost to Gibrepair Ltd of employing 46 expatriates runs to £1m or £½m or £750,000, is of a different order of whether they are buying a few tyres, would he agree with that, Mr Speaker?

HON CHIEF MINISTER:

Yes, it is, of course, different but you could take protection under this for the same purpose and I think that the answer to that question is that the accounts of the company will show the management costs and Members can then raise questions on the accounts, as I said, we would be able to have the accounts before this House. The concern of the Hon Member is perfectly understood and it should be addressed to the GSL. If the GSL are not prepared to give this information and so on then we shall have to say what criteria the GSL should have in their own mind which satisfies us or not but we are not going to be the postman for GSL in anything other than in the parameters that I have set out here which is a carefully thought out reply and statement. If I had known that things like that were going to come I would have been even more careful but I honestly gave in general terms what is liable to affect the viability, anything is likely to affect the viability but there is no suggestion of saying that salaries should be £½m, £20m or whatever. In fact, in the case of the previous question, the salary hasn't been fixed for the General Manager so how can we talk about affecting the financial viability of the company.

HON J E PILCHER:

Mr Speaker, I will certainly accept your ruling if you do give one. The Hon and Learned Chief Minister although he is referring to a previous question says that we are asking about a salary which hasn't even been agreed yet, well, it is not for this side of the House to have assumed that a person would be working without having a salary agreed. On the statement I think we take pride on this side, Mr Speaker, on a matter of principle.....

MR SPEAKER:

We are not going to debate. Whether you accept or you do not accept the statement is a matter which you have got to decide and as a matter of policy you may wish to bring a motion later on. You are of course entitled to get up now and ask whatever question you like which is seeking information and nothing else because otherwise we are going to debate on matters which are not subject to debate at question time.

HON J E PILCHER:

With all due respect, Mr Speaker, if the Government say that they will not answer this then we will have to accept it but what the Hon Financial and Development Secretary said was he was going to pass it on in which case I understood that we were going to be given this information in the following House and you, Mr Speaker, did think the same thing. This was not what he was saying.

HON J C PEREZ:

Mr Speaker, we have just had this afternoon questions about another publicly owned company and the Government has not seen fit to do otherwise but to answer to my satisfaction certainly, but why should we have two situations?

MR SPEAKER:

With respect, the questions we have had on the Gibraltar Quarry Company have been very precise and to the point, it has been directed to the audited accounts and you had asked Government whether they had made enquiries as the result of the statement made in the audited accounts.

HON J C PEREZ:

Mr Speaker, in the previous House there weren't any accounts about the Quarry Company and the situation was the same. What I see here is that questions about the possible viability of the whole project such as this one, nobody in this House of Assembly is being made responsible and it was an election issue and the Government by that
.....

MR SPEAKER:

We are now making a statement.

HON J C PEREZ:

There must be someone responsible for it and someone to answer to this House.

MR SPEAKER:

Order, we are now making statements.

HON J BOSSANO

Mr Speaker, is in fact the Chief Minister inviting the Opposition to address their questions to GSL rather than to the Government?

HON CHIEF MINISTER:

No, I am not inviting the Opposition to do anything, I am only telling them what we are prepared to answer or not, it is up to them but I am sure that if he wants to ask the company he hasn't got to ask me whether I want him to ask the company. In connection with the parallel that has been drawn, I should draw attention to that part of my statement which says: "The company's accounts will be audited and laid before the House of Assembly. There will be an opportunity to discuss company affairs and the Government will introduce a motion on the accounts for that purpose. I would also expect the company to provide the House, as the basis for informed debate, with appropriate information about business and employment prospects and progress towards profitability".

MR SPEAKER:

May I say this and I want to make it very clear. I allowed the original question specifically because it stated: "Can Government state what will be the total monthly ^{cost}..." In other words, if Government were in a position to state ^{that} then they were entitled to answer the question because they are ultimately answerable to this House for Gibraltar Shiprepair Ltd as shareholders. They have said: "No, we cannot and since we cannot we would suggest that you go to the Gibraltar Shiprepair and we have gone further, we have asked the Gibraltar Shiprepair to give you the information".

HON J BOSSANO:

Mr Speaker, but I am just asking the Hon and Learned Chief Minister whether he is suggesting to the Opposition that we should address our questions to Gibraltar Shiprepair Ltd and he has said no. If he has said no, then can the Hon and Learned Chief Minister explain

to me what his Financial and Development Secretary means when his Financial and Development Secretary on behalf of his Government tells us that our enquiry has been passed on to Gibrepair Ltd, what does that mean if that doesn't mean that we should ask Gibrepair Ltd and expect answers from Gibrepair Ltd?

HON CHIEF MINISTER:

I don't have to answer for the Financial and Development Secretary who can do it very well himself and can even quote Shakespeare and others, but what I understood him to say in that reply because this is a sort of winding up operation since the Dockyard was transferred, he said: "I have passed that information". This is the first time he has said that and I think it is a matter of courtesy, if the company wants to tell you that having passed the information to them it is up to them to decide. We are not saying you should ask the company but if you want to ask the company who is going to stop you?

HON J BOSSANO:

Could I ask the Hon and Learned Chief Minister now that the Financial and Development Secretary has severed his connection with Gibraltar Shiprepair Ltd, will the Hon and Learned Chief Minister from now on be dealing with questions related to Gibraltar Shiprepair Ltd on behalf of the Government?

HON CHIEF MINISTER:

I said I would in general terms. If there are any matters which come within the scope of my statement which are of a particularly financial nature and are within the parameters, then I would depute the Financial Secretary to deal with them. In matters of policy within this thing I will be mainly responsible, I of course, may delegate but I will be mainly responsible.

HON J BOSSANO:

And would the Hon and Learned Chief Minister agree with me that according to his statement, since one of the things that the Government is willing to answer questions on is the progress of the company towards financial and commercial viability, that it must be a matter of concern to the Government how much the expatriate management of the company is costing them?

HON CHIEF MINISTER:

Yes I would have thought that would be a very important point at the end of the first year and I saw the accounts and I saw that there were very wide disparities and very high executive expenses, we would then say that is a matter to which we would draw the

attention of the company and even refer the matter in the House. That, yes, but they have to be given the opportunity of providing the information on which we can go on the basis of this agreement.

HON J BOSSANO:

Mr Speaker, I know that the Hon and Learned Chief Minister is used to having to deal with situations where at the end of the year he finds that what he predicted at the beginning of the year hasn't happened, that happens constantly within the estimates of expenditure, I know that, but wouldn't the Hon and Learned Member agree with me, Mr Speaker, that it would be preferable if one could have some idea at the beginning of the year what the cost is expected to be instead of having to deal with an irretrievable situation at the end of the year?

HON CHIEF MINISTER:

If it were our own, yes, but if we have directors and a Board of Directors to run the company, certainly I am sure the last thing that the Board of Directors want is that the company should be run from the House of Assembly and therefore if there are any signs of anything which is wrong I would be the first one to draw their attention. After that we shall have to go by the accounts of the company and judge how they are performing. As has happened this afternoon, there were exhaustive questions on the accounts of the Quarry Company and they have been answered.

HON J BOSSANO:

Wouldn't the Hon and Learned Member agree with me, Mr Speaker, that to seek information does not, in fact, imply that one is trying either to establish the salaries of individuals or to control the operation of the company from the House of Assembly and that the Government itself ought to want to have that information and that there is no reason why they shouldn't share it with the rest of Gibraltar, wouldn't the Hon and Learned Member agree with me on that?

HON CHIEF MINISTER:

Well, I never envisaged going down by the kiosk and start telling people how much Mr Brian Abbott earns or things of that nature, I don't think that that is the best way to run a company of this stature. We are interested, of course we are interested. The point is at what stage the information that comes to the knowledge of the Government should be made available to the Opposition but normally I would expect to allow the company to start running the affair before I can come to any judgement.

MR SPEAKER:

Next question.

NO. 63 OF 1985

ORAL

THE HON J E PILCHER

Can Government state how much will be the total amount of rent being paid by the Gibraltar Shiprepair Limited to the Ministry of Defence for the 46 properties which have been made available on a fully repairing lease basis?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, in answering the Hon Member's previous Question No. 108 of 1984, I undertook to provide this information when available.

The total rent payable by Gibraltar Shiprepair Ltd to the Ministry of Defence for 44 properties which have to date been made available will be around £1,600 per week.

NO. 64 OF 1985

ORAL

THE HON J E PILCHER

Are Government now in a position to state how many RFA vessels are programmed to be repaired by the Gibraltar Shiprepair Limited in 1985 and what proportion of the £14m of guaranteed work this will represent?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, I have nothing to add to what I said to the Honourable Member in answer to Question No. 114 of 1984. The detailed arrangements for repairing RFA vessels are the responsibility of the Company. It would only become a political matter if there were a departure from the original understanding reached with HMG about the value of RFA work.

SUPPLEMENTARY TO QUESTION NO. 64 OF 1985

HON J E PILCHER:

Mr Speaker, in the House previously I have been asking how many RFA's were going to be programmed and the answer of the Hon Financial and Development Secretary was that they had still not been agreed and that anyhow it was more important to know the sum of money that was going to be invested by the British Government in the form of subsidy than the number of RFA's, so this time I asked the question in a two-tier sort of way that if he didn't want to answer how many RFA's were going to be repaired, he could at least tell me what was the sum of money that was going to be invested in 1985 in the Gibraltar Shiprepair Ltd. It is completely incomprehensible to me that the Gibraltar Shiprepair Ltd should not know how many vessels are going to be repaired and the amount of money of the £14m that the 1985 programme will signify and is this another part of the affairs of GSL that has nothing to do with the House?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I think it is the responsibility of Gibrepair to decide how many vessels will be repaired in 1985. I haven't got the information, quite genuinely I haven't and, indeed, I did not have the information during my last two weeks as Chairman because as far as I was aware the matter has not been decided. I understand negotiations are still going on.

HON J E PILCHER:

Mr Speaker, perhaps I would need again to solicit from the Hon and Learned Chief Minister his interpretation of his statement.

MR SPEAKER:

No, we are not going to have that under any circumstances.

HON J E PILCHER:

Is the Financial and Development Secretary then, to your understanding, Mr Speaker, saying that he will not tell us or that he doesn't know?

MR SPEAKER:

I have understood the question very clearly. The Hon Financial and Development Secretary has stated that this is a matter for negotiation between the Gibraltar Shiprepair Ltd and Her Majesty's Government and is not information to which he is privy and therefore he cannot give it to you.

HON J BOSSANO:

But, Mr Speaker, didn't the Hon and Learned Chief Minister bring to this House of Assembly in July, 1983, a package which he recommended and which was voted and wasn't that package inclusive of the provision of £14m of RFA work?

MR SPEAKER:

I know what you are saying and what is being specifically asked now by the Hon Mr Pilcher is, is Government in a position to say how many RFA's are going to be repaired in 1985 and whilst the overall programme envisages £14m of work within three years, the answer has been 'I do not know'.

HON J BOSSANO:

Then if the Government doesn't know, is Government aware that it was common knowledge in November within Gibrepair, down to the labourers, that the programme for 1985 was six RFA's with a programme of 42 weeks?

HON CHIEF MINISTER:

No.

HON J BOSSANO:

How does the Government expect to have any credibility with the Opposition or with the rest of Gibraltar if what every labourer in Gibrepair knows in November they are unable to answer a question on in January, 1985?

HON CHIEF MINISTER:

I don't like the Hon Leader of the Opposition losing his cool, which he doesn't often do, I am sorry if I have been party to it, I hope he realises that what is well known in the small world, if I may say so or big world of the Trade Union Movement in respect of matters of work directly, is not necessarily known to me particularly because I only went to Shiprepair a few weeks before the handover just to know exactly what was going on there because I thought I ought to do that before I took it over, I wanted to see what was being handed to me. Of course I don't know and I think the answer of the Financial Secretary is perfectly right. I will go to battle if we don't get the £14m worth of work over the three years and I will ask pertinent questions in a few months whether they think the programme that they have is going to work so that we can do that work in that period. Those are the parameters in which I am interested but whether there are three particular RFA's at one time or two, frankly, it is not my business, it is none of my business, it is the business of the Company and if it is in the Company's interest to say that they should not have RFA's in 1986 because they have too much other work and they want them in 1987 it is a matter for the Company. We are not going to run the Company, we have a Board, we have appointed a Chairman from amongst a number of people in industry in England who will look after the affairs of the Board and we will see that they carry out their duties properly.

HON J E PILCHER:

Mr Speaker, has the Government made any attempt to find out any information given that I gave them a week's notice?

HON CHIEF MINISTER:

No.

HON J BOSSANO:

Mr Speaker, the position then is not that the Hon Financial and Development Secretary has given a negative answer because he is not able to provide the information, it is that he has given a negative answer because he has made no effort to obtain the information because the Government as a matter of policy considers that they have got no need to provide this answer in the House of Assembly, that is the answer, no?

MR SPEAKER:

I do not think that is the answer you have been given. The answer you have been given is that they are not going to get involved in the day-to-day running of Gibraltar Shiprepair.

HON J BOSSANO:

But, Mr Speaker, they are not being asked to decide how many. The Hon Member's question is how many RFA vessels are coming in 1985 and what proportion of the £14m. We are not asking them to decide whether it should be five, or six or to accept the responsibility for the decision, we are asking for information. If the Hon Member says he has'nt got the information, that is one thing. Is it that he hasn't got the information.....

MR SPEAKER:

Order. We are going round in circles, with respect to the Hon Leader of the Opposition. If the package had entailed or envisaged a certain number of RFA's to be done in 1985 then it would be within the province of Government to answer whether that commitment was going to be kept. The running of Gibraltar Ship-repair is exclusively a matter for management. How the £14m is spread out within the three years is not for Government to answer at this stage. Next question.

NO. 65 OF 1985

ORAL

THE HON J E PILCHER

Has the management contract between the Gibraltar Shiprepair Ltd and A & P Appledore now been signed and has a Controller been recruited?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the Management Agreement between Gibraltar Shiprepair Ltd and A & P Appledore was signed on the 31st December, 1984.

I regret that a Controller has not yet been recruited, despite a further round of interviews. I understand that the Company is actively pursuing the matter now.

SUPPLEMENTARY TO QUESTION NO. 65 OF 1985

HON J E PILCHER:

Mr Speaker, will the Opposition obtain a copy of the Management Agreement?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I can answer in general terms, the Government has certainly no intention of holding anything from the Opposition insofar as the Management Agreement is concerned because we understand it is an important document. There is just a certain doubt about the commercial status of it which I would like to look into but if we can satisfy ourselves on that I think the Government will be happy to let Opposition Members see it at least in confidence. This is because of the issue of commercial confidence.

MR SPEAKER:

Next question.

THE HON J BOSSANO

Can Gibraltarians travel to the UK and other parts of the European Economic Community on a Gibraltar Identity Card and without a passport?

ANSWERTHE HON THE CHIEF MINISTER

It is very doubtful whether Gibraltarians would be able to travel to either the United Kingdom or other EEC countries on a Gibraltar Identity Card and without a Passport.

There are two problems:-

- (1) After examination it has been found that the Gibraltar Identity Card is not up to the standard of those Identity Cards currently in use in EC countries and is more open to alteration and counterfeiting than most. In fact, we had thought some time ago before the rush for the Identity Cards came two years ago, we had already thought of having a more permanent nature of cards as is common everywhere.
- (2) Identity Cards in order to be acceptable would also have to bear an endorsement to the effect that the holder was a UK National for EC purposes and to that I see no difficulty.

SUPPLEMENTARY TO QUESTION NO. 66 OF 1985

HON J BOSSANO:

Mr Speaker, isn't it a fact that since last year it has been a practice in many of the Member States of the European Community to allow nationals of those Member States to travel within the EEC on the strength of an Identity Card?

HON CHIEF MINISTER:

Yes, I understand that that is the case particularly in Europe. Certainly, there is no legislation in the United Kingdom to provide people with Identity Cards or certainly all the members of the Common Market who belong to the United Kingdom are not able to exercise that facility because there is no UK Identity Card system at all.

HON J BOSSANO:

But notwithstanding the fact that there isn't a UK Identity Card

system which is not the question that I asked the Hon and Learned Member, if other European Member States do have Identity Cards and their nationals are able to travel, is there in principle any reason why Gibraltarians should not be able to make use of this facility if the Identity Card issued in Gibraltar measures the necessary requirements?

HON CHIEF MINISTER:

No, I don't see any difficulty at all.

MR SPEAKER:

Next question.

NO. 67 OF 1985

ORAL

THE HON M A FEETHAM

Is it the intention to allow EEC nationals to cross the frontier into Gibraltar on the strength of their identity cards?

ANSWERTHE HON THE CHIEF MINISTER

By Section 50 of the Immigration Control Ordinance a Community National may enter Gibraltar on the production by him of a valid identity card or a valid passport issued by the Member State of which he is a national proving his identity as a national of that State.

This provision in our law reflects the requirements contained in EEC Directives 68/360 and 73/148.

SUPPLEMENTARY TO QUESTION NO. 67 OF 1985

HON M A FEETHAM:

So the answer is yes or is it no?

HON CHIEF MINISTER:

I don't know, I will read it again and the Hon Member can judge whether I said yes or no. By Section 50 of the Immigration Control Ordinance a Community national may enter Gibraltar on the production by him of a valid identity card or a valid passport issued by the Member State of which he is a national proving his identity as a national of that State.

HON M A FEETHAM:

Will Government decide on one or the other, who makes such decisions in reading the law?

HON CHIEF MINISTER:

It is EEC rights.

HON M A FEETHAM:

Do I take it then that Spaniards, for example, will be able to.

HON CHIEF MINISTER:

If that is what you want to know I will tell you. First of all, they are not in the EEC and, secondly, as a result of discussions

between London and Madrid it has been agreed that both Spain and Gibraltar will require the production of passports during the period of advance implementation.

MR SPEAKER:

Next question.