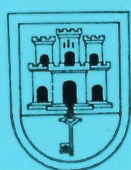


GIBRALTAR

HOUSE OF ASSEMBLY



QUESTIONS AND ANSWERS

3RD NOVEMBER, 1986

190 TO 255

THE HON J L BALDACHINO

Mr Speaker, can Government state how much of the money spent in construction of new houses from the I&D Fund in the financial year 1981/82 has now been amortised in the Housing Special Fund and in what manner?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the total expenditure during 1981-82 on the construction of new houses was £2.6m of which ODA funded expenditure was £0.5m. The net amount to be amortized over sixty years was therefore £2.1m. Capital expenditure on new housing is written off over 60 years and the capital charges comprise equal annual amounts for depreciation plus interest at the JCF rate on the reducing balance at the end of each year. The capital charges up to the end of 1985-86 in respect of the 1981-82 expenditure amount in aggregate to £972,000.

SUPPLEMENTARY TO QUESTION NO. 190 OF 1986

HON J L BALDACHINO:

If I understand correctly the way it is done, Mr Speaker, is that this is borrowed money once Government borrows money for construction of new houses, is that correct? Is that the one that is amortised for the new buildings?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I don't think I can say for certain whether all of it was borrowed, Mr Speaker. The sources of Government finance for new housing would at that particular stage have been partly from local funds, partly from commercial borrowing together with any contribution which may have been made from the Consolidated Fund.

HON J BOSSANO:

Mr Speaker, hasn't the Hon Member or perhaps someone before him said previously in the House that, in fact, the interest charged to the Housing Fund was on the one hand the actual interest paid on the loan and on the other hand the Joint Consolidated Fund rate where the loan had been repaid, is it that there has been a change of policy in this respect?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Hon Member may be referring, Mr Speaker, to the previous old amortisation programme under which capital expenditure on housing was amortised on an annuity method over sixty years using a fixed interest rate of 3%. If the Hon Member recalls, this was revised in the 1985/86 Accounts, an adjustment was made for the amount undercharged to the Fund in respect of previous years when the change was made, that is to say, a change from an interest rate of 3% to an interest rate which represented the Joint Consolidated Fund rate for the year in question.

HON J BOSSANO:

Mr Speaker, when the charge was 3% was it 3% plus the actual interest paid or was it 3% in substitution of the actual interest paid?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The charge to the Housing Fund, Mr Speaker, under the old amortisation programme was 3%.

HON J BOSSANO:

Is the Hon Member then saying that when it was 3% the actual interest that was chargeable on a loan that was identified as having been used for housing was not charged, is that what he is saying?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that is correct, Mr Speaker, in the sense that the Consolidated Fund would, of course, have borne the charges incurred on whatever loan was made to the Government by the bank or debentures.

HON J BOSSANO:

I am talking about the charge made to the Housing Fund and not to the Consolidated Fund. Can the Hon Member find out whether, in fact, in answer to similar questions in the past the House has, in fact, not been told that the 3% notional figure was charged in respect of amortisation whereas the interest charged was the actual interest payable on the loan which is identified as having been used for housing? Can the Hon Member say whether this in fact was the explanation given previously which is not the explanation he has given now?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am fairly confident, Mr Speaker, that the figure I have quoted, that is one of 3% under the old amortisation programme, was the

charge to the Housing Fund, without going into greater detail. I did explain this recently during the course of the 1985 Budget, I think it was. I think if the Hon Member would like to refresh his memory by looking at that he will see a full explanation. If there is anything which following his study on that particular passage he is still unclear about naturally I will be glad to advise him further.

HON J BOSSANO:

I am not asking the Hon Member to clear for me things I can understand, Mr Speaker, I am seeking information and the information that I am seeking is whether the Hon Member will go back and check which is the correct explanation, the one he has given now or the one we have been given previously in this House and the previous one, if my memory doesn't fail me and it doesn't very often, Mr Speaker, was that the 3% amortisation charge over the sixty years was in addition to the actual interest payable on the loan. I accept that the Hon Member says that there was an explanation when he changed from that system to the new one but in comparing the change what we are trying to establish, Mr Speaker, is whether the change is from what he is explaining now which is 3% to a Joint Consolidated Fund interest or 3% plus an interest charge to the Joint Consolidated Fund interest? I think what I would like the Hon Member is to perhaps pursue the matter and let me know the answer not necessarily in the House but which of the two is the correct explanation?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think I would just like to place on record, Mr Speaker, that I have given the correct explanation to the Hon Member and I certainly don't wish to go through the various copies of Hansard which may reflect whatever my predecessors have said in the past but certainly I will consult my staff on the matter and see if any statement has been made in recent history to which they can refer me and then let the Hon Member know.

HON J L BALDACHINO:

Mr Speaker, is the Hon Member saying that if the Government were to borrow money now and charge it to the Housing Fund the only interest rate it could carry would be 3%?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, I didn't say that, I said that the interest rate charged to the Fund used to be 3% and, of course, this was considerably less than the rate at which the Government was borrowing and therefore the charge to the Consolidated Fund, the whole point being that that represented a subsidy in terms of the differential between the interest rate on which the Government borrowed generally and the rate which was charged to the Fund.

HON J BOSSANO:

Mr Speaker, is the Hon Member then saying that the 3% amortisation charge was the only charge being made and that there was no other interest charge being made at the time, that is what the Hon Member is saying?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker, to the best of my knowledge 3% was the interest charged to the Fund and no other charge in respect of interest was made to the Fund. There would, of course, be the element of capital repayment. When I use the phrase capital charges, I mean, of course, interest plus depreciation.

HON J BOSSANO:

No, Mr Speaker, what does the Hon Member mean by interest plus depreciation? Is the situation that prior to the introduction of the system which he announced recently, the only charge being made to the Housing Fund was 3% or was in fact the Housing Fund being charged with an interest payment related to the cost of servicing the loan plus 3% which is the explanation we were told before?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Capital charges, Mr Speaker, as I explained in my answer, comprise two elements, one for depreciation which one can regard as repayment of capital and the other is interest. I don't think anything I have said could be construed as misleading the House on that particular point.

MR SPEAKER:

I think he has promised you an answer at a later stage.

HON J BOSSANO:

I am not sure that I am going to get the answer, Mr Speaker.

MR SPEAKER:

Well, once you get the answer then we can go into it further.

HON J BOSSANO:

I would like, Mr Speaker, to ask the Hon Member another question. Is the Hon Member then saying that there was a charge for depreciation of the property over sixty years independent of the 3% which is what he appears to have said just now, and if so, what was it? How was the property depreciated over sixty years?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

As I feel sure the Hon Member will know, under the old amortisation programme expenditure on housing was amortised on an annuity method, that is to say, there are two elements, one is as with the repayment of a mortgage, for example. You repay the capital and you are charged interest on the reducing balance. There is a slight difference between that method, the annuity method, and what I might call the reducing balance method, not a great deal of difference but the major difference between the old amortisation programme and the current one is in respect of the interest rate charged. Formerly it was 3% and now the interest is at a rate which is the average of the Joint Consolidated Fund borrowing rate for the year.

HON J BOSSANO:

And what I am asking the Hon Member if he says that there are two elements is if the difference between the old system and the new one is that one was being charged 3% and the other one is being charged the Joint Consolidated Fund interest rate, what is the difference on the capital repayment side, shall we say. He said that one was depreciated on an annuity basis over a sixty year period, what is he doing now in that respect?

MR SPEAKER:

I think what you are being asked is what is the practical difference in pounds and pence between the previous method and the new method?

HON J BOSSANO:

Mr Speaker, I don't think he is correct in what he is saying in fact. What the Hon Member appears to be saying to me unless I got him wrong is that the Housing Fund is being charged with a cost which is made up of two elements, one is an interest charge and the other one is a capital repayment charge. He is saying that the system previously consisted of an interest charge of 3% which was artificial and too low and involved an element of hidden subsidy whereas the interest charge now is the Joint Consolidated Fund. I am asking what has happened on the capital repayment side, he has just given an explanation on what has happened on the interest side, the old and the new?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I take it the Hon Member is not then familiar with the principle on which an annuity is paid and it would perhaps take me rather a long time to explain this in great detail but the basic difference is that under the annuity method while the annual payments in total comprising the capital charge are equal, that is to say, constant throughout the period, the repayment element is smaller at the beginning of the loan than at the end of the loan because obviously

the interest rate varies proportionately. With the, what I might call, the reducing balance method, the depreciation charge is constant throughout the period of the loan and in this particular case we were talking about 1981/82 expenditure on Housing, it would have been approximately £35,000 on capital expenditure of just over £2m and the interest is charged at the new rate on the reducing balance, that is to say, the amount of the hypothetical loan outstanding at the end of the year, that is the basic difference.

MR SPEAKER:

We are now turning to economics.

HON J BOSSANO:

No, Mr Speaker, it is a question of information.

MR SPEAKER:

With respect, tell me what is the information you are seeking?

HON J BOSSANO:

The information that I want is how is the amount charged to the Housing Fund? If the Hon Member says that it is on the reducing balance how much is he reducing by every year, is he reducing it over a sixty-year period, over a thirty-year period, over how many years?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Each year by the amount of the depreciation charge which, as I have explained, in this particular instance would be £35,000.

HON J BOSSANO:

And that is what, Mr Speaker, over how long a period?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Over sixty years.

MR SPEAKER:

Next question.

NO. 191 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state how much of the estimated receipts of £942,300 by 31st March, 1986, from the sale of Government properties has been spent and how much is committed to spending on construction of new Government housing?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the actual receipts in 1985/86 from the Sale of Government Properties were £846,000. The total spent on the construction of new housing during 1985/86 was £683,000.

SUPPLEMENTARY TO QUESTION NO. 191 OF 1986

HON J L BALDACHINO:

Mr Spcaker, the £683,000, was it only from the sale of Government dwellings or from the sale of old properties?

MR SPEAKER:

It was £846,000 that was received.

HON J L BALDACHINO:

The £683,000, Mr Speaker, is that amount of money only from what the Government has received from the sale of dwellings, like Shorthorn Estate, for example, or are other properties involved?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This amount was the expenditure, Mr Speaker, £683,000 was spent on the construction of new housing. The actual receipts during 1985/86 from the sale of Government property were £846,000.

MR SPEAKER:

I think what you are being asked is, is the £683,000 the total amount spent on construction by Government this year or is that the amount spent from the £846,000?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The two are not directly related, Mr Speaker, there is a slightly technical point here. The receipts from the sale of Government property go into the Improvement and Development Fund, that is

to say, this is not hypothecated revenue, I apologise for that, that is a UK Treasury phrase, it is not hypothecated revenue as, for example, the revenue from Wireless licence sales would be but in this particular case it forms part of a fund of money which is available for capital purposes including housing, of course.

MR SPEAKER:

In other words, the £683,000 is the total amount spent on construction?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Spent on new housing, yes.

HON J L BALDACHINO:

So what the Hon Member is actually saying is that the £846,000 will not all be committed to housing, is that correct?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Well, it may be that £846,000 has not been spent in 1985/86; Mr Speaker, but this does not necessarily mean to say that the total of Government housing will always necessarily be below the amount raised from the sale of Government properties, I should be very surprised if it were.

HON J L BALDACHINO:

What I am asking, Mr Speaker, is will this money that the Government has received from the sale of property, will it all be committed to housing?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Well, the total amount of housing expenditure, Mr Speaker, looking at the estimates, is far in excess of the figure of £683,000 or £846,000. The actual timing of new housing development is, of course, another matter it naturally takes time to prepare all the necessary plans for such things.

HON J BOSSANO:

Mr Speaker, could I ask the Hon Member whether this money that is then spent on new construction of houses is charged to the Housing Fund over sixty years?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Money spent on new housing, Mr Speaker, would be amortised over sixty years.

MR SPEAKER:

Next question.

NO. 192 OF 1986

ORAL

THE HON J E PILCHER

Can Government state when and by whom have the calculations been made that for every £1 in tourist expenditure, Government receipts from all sources increases by 60p?

ANSWERTHE HON THE MINISTER FOR TOURISM

Sir, the Honourable Member of the Opposition has referred in his question to Government receipts. In fact the figures previously quoted by me have always referred to income, that is, National Income.

Both the Gibraltar Port Study Report, completed in January 1981 by PEIDA, and the Input and Output Study of Gibraltar completed in March 1981 by the Institute of Economic Research, University College of North Wales stated that for every additional £1000 in Tourism expenditure additional income to the value of £600 is generated (£644 in the Port Study; £571 in the Input and Output Study).

SUPPLEMENTARY TO QUESTION NO. 192 OF 1986

HON J E PILCHER:

So, in fact, Mr Speaker, for every £1 in tourist expenditure Government receipts from all sources does not increase 60p, that is what the Hon Minister is saying?

HON H J ZAMMITT:

Mr Speaker, what I am saying is that national income and what we have always said is national income, never Government receipts. We have never said that Government obtained 60p in every £1 or £1,000 or £600 in the case of pounds, we have never said that the Government receipts obtain it, we have said national income and this is highlighted, Mr Speaker, in paragraph 562 of the PEIDA Report which Members opposite have had now since November, 1984, which is very, very clear.

MR SPEAKER:

Please don't read it.

HON H J ZAMMITT:

I am not reading the paragraph, Mr Speaker, but I think it is

very important information. I am not reading the paragraph just one item here, Mr Speaker, which states: "It has been calculated that, for an increase in tourist expenditure of £1,000 an additional income of £644 would be generated and around twelve extra job opportunities created. Indeed, income and employment multipliers for tourism are higher than for any other form of economic activity in Gibraltar".

HON J E PILCHER:

Mr Speaker, I accept what the Hon Minister has said but I would like him to answer the question. Referring to his comments he did say in an interview on television with myself in a discussion programme, receipts, but notwithstanding that, could the Minister answer the question? The answer should be no, that kind of study has never been undertaken and for every £1 of tourist expenditure Government receipts do not add up to 60p.

MR SPEAKER:

With respect, you cannot expect the Minister to give you the answer you want. He is giving you an explanation but it may not be the answer you want.

HON J E PILCHER:

It is not a question of being the answer I want, Mr Speaker, with respect. I am asking, can Government state when and by whom the calculations have been made that for every £1 in tourist expenditure.....

MR SPEAKER:

And he has given you the source of that statement. If your interpretation of that source is different to his that is another matter.

HON J BOSSANO:

Mr Speaker, are we correct in deducing from the answer of the Hon Member that what he said on television was a mistake and that he doesn't know how much Government receipts go up by?

HON H J ZAMMITT:

Mr Speaker, I refute that I said on television that Government receipts, I refute that strongly, I have a video of that.

HON J BOSSANO:

You said Government income.

HON H J ZAMMITT:

No, Sir, I never said Government income, I said generates, I used the word generates. For every £1 of tourist expenditure Gibraltar generates 60p.

HON J BOSSANO:

The other point, Mr Speaker, is the Hon Member is referring to the PEIDA Study of 1984 and previous studies. Is he saying that the experience of the Government subsequent to the increase that there has been in tourist expenditure is that, in fact, the multiplier effect is 60% and that they generate twelve jobs for every £1,000 or has PEIDA been proved wrong by events?

HON H J ZAMMITT:

I think the Hon the Leader of the Opposition is very right in asking that question because this was based in 1981 and it is based on tourism that occupied beds in Gibraltar. I think the formula on the base for excursionists is bound to be very, very much lower than the spread that tourists staying on a ten or fourteen day period in Gibraltar would generate but I am afraid, Mr Speaker, that we have not as yet been able to work that out. There are rough calculations but I would not like to say what they are, they are very much a fraction of this but we have not as yet been able to really go down to a full study into what the excursionists tourist renders the economy of Gibraltar generally.

HON J E PILCHER:

So, in fact, Mr Speaker, what the Hon Minister is saying is that out of the 7.8 million excursionists they do not generate 60p for every £1 of expenditure?

HON J E PILCHER:

What I am saying, of course, is that, Mr Speaker, I am just repeating what the Hon Member has said. Obviously what we do know is that certainly the 3 million excursionists that we have had crossing the frontier over a period has inflated tourism income from something like £12m to £22m or £23m.

MR SPEAKER:

Next question.

NO. 193 OF 1986

ORAL

THE HON J BOSSANO

Can Government confirm whether the commercial dockyard buildings should have been included in the Valuation List when they passed from the ownership of MOD on 1st January, 1985?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, as I have explained in correspondence with the Hon Member the dockyard buildings and structures were not included in the 1984-85 and 1985-86 Valuation Lists for the following reasons:-

- (1) almost all buildings and structures were in a state of obsolescence and subject to physical redevelopment; in accordance with normal rating practice they would not have been included.
- (2) the commercial yard was not fully in operation and, in the professional judgement of the Government Valuation Officer, the buildings and structures not therefore in beneficial occupation.

SUPPLEMENTARY TO QUESTION NO. 193 OF 1986

HON J BOSSANO:

Mr Speaker, isn't it a requirement of the Public Health Ordinance that every hereditament must be included in the Valuation List independent of whether rates are charged or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am not aware of that, Mr Speaker, but I think, as far as I know the law allows the Government Valuation Officer some discretion in deciding what should be included. Certainly I can think of other cases where buildings which are subject to redevelopment have not been included in the Rating List for the obvious reason that he would not be able to provide a net annual value.

HON J BOSSANO:

Mr Speaker, isn't it the case that the provisions of the exemption from increased rates applies to the improvement in the building brought about by expenditure which qualifies for development aid and not to the original value of the building and that in corres-

pondence the Hon Member has said that it is possible that a sum considered small by him may have been lost in rates but that that is not considered sufficiently important to have it included in the Valuation List?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I would confirm what the Hon Member said in the first part of his supplementary question, that is to say, that if a building is in beneficial occupation and subject to some redevelopment this does not mean that the original part of the annual value unenhanced by the redevelopment should not be included, yes, I would agree with that. I think in the case of the dockyard it would have been extremely difficult for the Valuation Officer, or indeed anybody else, to put a figure, if this is certainly his professional opinion it would have been very difficult for him to put a figure on the value of the yard for rating purposes in 1984/85. He did, of course, produce an estimate with the benefit of hindsight when the development to the yard was more or less complete. It would not, in his view, have been possible to make such an estimate earlier in 1984/85 because the information would not have been available simply because the programme of redevelopment was extensive and it would have been impossible to say which buildings were or would be in beneficial ownership throughout or only for a part of the time and so on. The dockyard was rather an extraordinary event in terms of rating.

HON J BOSSANO:

Mr Speaker, can the Hon Member confirm that, in fact, the information that he gave the House in answer to a previous question on this subject that it was because it has previously been Crown Property that it has not been included is, in fact, an incorrect answer?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker, I think that was, with the benefit of hindsight on my part, not the correct answer. As is so often in this House, I was taken a little bit by surprise by one of the Hon Member's questions and although I don't normally indulge in this practice, I may very well have said the first thing that came to my head.

HON J BOSSANO:

Can the Hon Member confirm that, in fact, a great deal of the refurbishment of buildings was carried out in 1984 and can the Hon Member say whether, in fact, in January, 1985, there was an

inspection of the buildings in the Dockyard to establish to what extent they were already in beneficial occupation given that some 400 people were working in the place?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I cannot say from knowledge, Mr Speaker, whether there was an inspection of the premises earlier in 1985, presumably by the Valuation Officer, that is as I understand it correctly, for that particular purpose. If he wishes I will enquire.

HON J BOSSANO:

Would the Hon Member not agree that if the explanation for not including the buildings in the Valuation List was that they were not in beneficial occupation and therefore could not be identified, that it is important to know when this was done and when that conclusion was reached?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think there are two aspects, one is the physical redevelopment, it may very well be that as a result of a visit early in 1985, but I would have to confirm whether there was such a visit, the Valuation Officer came to the conclusion that it was impossible for him to assign a value because the physical development was under way and so far as he was concerned all buildings were in a state of redevelopment, he would not be able to assign an NAV. I should point out that had he assigned an NAV which could well have been challenged in the Courts, of course, he would have been on shaky ground and naturally he prefers to be on fairly certain ground when he makes his assessments. The other aspect is, of course, that view of beneficial occupation which, as I have acknowledged, is a matter of judgement. It could be said that until late in 1985 the yard was not fully in beneficial occupation.

HON J BOSSANO:

Mr Speaker, then can the Hon Member say when it was actually included? If he thinks it could be said that late in 1985 it was in beneficial occupation is he saying that it was included late in 1985?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, as far as the inclusion of the yard in the Valuation List, this will take effect from the 1st April this year.

MR SPEAKER:

This coming year or from the 1st April?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

From the 1st April, yes, it is possible, Mr Speaker, to review a property, so I understand, during the current year in the light of new developments and assign an NAV at the beginning of the current year. I am assured by the Government Valuation Officer that he has that power and so it will be from the 1st April, 1986, that an NAV is ascribed and I gather that he is in fact at present making enquiries and there have been a certain amount of discussion between himself and the company on that point.

HON J BOSSANO:

So the position is that it is not yet included in the Valuation List, is that it, currently at the moment?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is not in the current List at the moment, no, Sir.

HON J BOSSANO:

Can the Hon and Learned Attorney-General say whether, in fact, the Public Health Ordinance requires all hereditaments to be included in the Valuation List or not?

HON ATTORNEY-GENERAL:

I couldn't say that off the cuff, Mr Speaker, I do apologise. I will try and find out later on in this meeting.

MR SPEAKER:

Next question.

NO. 194 OF 1986

ORAL

THE HON J BOSSANO

Can Government explain what requirements have to be met by prospective owner occupiers to obtain tax relief on amounts paid as deposits for the purchase of their property?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, a person who purchases property is entitled to claim against his assessable income a deduction of 20% of the purchase price or £2,000 whichever is the lesser, provided that the following three requirements are met:

- (1) he is buying a property for the first time ever;
- (2) the property is situated in Gibraltar;
- (3) the property is for his own residential occupation.

SUPPLEMENTARY TO QUESTION NO. 194 OF 1986

HON J BOSSANO:

Mr Speaker, does the third requirement mean that persons can only obtain the relief when the property is completed and ready to be occupied?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, the purchase is completed in law when the full purchase price has been paid over by the purchaser to the vendor and the purchaser acquires title to the property. The relief would be allowed in the year of assessment in which the purchase is completed.

HON J BOSSANO:

I don't think the Hon Member has answered my question, Mr Speaker. What I have said to him is, can an owner occupier obtain the tax relief on a building that is not yet completed and consequently it cannot yet be occupied?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, I don't think he can, Mr Speaker, he would presumably not have paid for the property if it were not, in fact, completed.

MR SPEAKER:

In fairness to the Hon Financial Secretary, I think the Hon Member is trying to get free legal advice. I think you have been told completely and utterly clearly by the Hon Financial and Development Secretary that the time when the relief comes into operation is when the sale is completed.

HON J BOSSANO:

Mr Speaker, I am not a lawyer and I am not trying to get free legal advice because I realise what a strong union lawyers have, Mr Speaker. What I am trying to do is get information for a constituent who has approached me on this matter and therefore what I am asking the Government to explain to the House and to the people outside who are going to the Tax Department and being told they cannot get a tax relief, what I am saying to the Hon Member is, is the Hon Member aware, for example, that the projects that the Government is encouraging for owner occupation such as Vineyards require people to put up deposits now and there is nothing there to occupy. How can those people be helped to take advantage of the Government's scheme to encourage owner occupation?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It seems to me an entirely different question, Mr Speaker. I have explained the tax law.

HON J BOSSANO:

Mr Speaker, is Government satisfied that the law as described by the Financial and Development Secretary is achieving the purpose for which the law was introduced which is to encourage home ownership if people cannot, in fact, take advantage of it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I wouldn't endorse at all the suggestion that people cannot take advantage of it. I appreciate that there is necessarily, I think, for tax purposes, a delay between the initial deposit, shall we say, which a purchaser might make in some circumstances to a developer in respect of his interest in property and the time at which he can gain the tax relief but I don't think there is anything unusual about this and certainly this would apply in the UK and I would have thought most other places as well as Gibraltar.

HON J BOSSANO:

No, Mr Speaker, in UK they don't get tax relief on deposits. This was something the Government introduced to encourage home owner-

ship. Is it a fact, Mr Speaker, that therefore all the people who are seeking to take advantage of the encouragement of the Government to take up home ownership can only do so when and if the buildings are completed and they are ready to move in, is that the position?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker.

HON J BOSSANO:

And if they are required to pay before the buildings are completed it is a chicken and egg situation which means they cannot get the relief, is that the position?

HON ATTORNEY-GENERAL:

When the buildings have been completed.

HON J BOSSANO:

Well, then, Mr Speaker, in the light of the fact that there are complaints about the inability to make the use of this provision that the Government intended and the Opposition supported, will the Government look into the matter to see if they can improve it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I don't think that this particular one is capable of the improvement which the Hon Member would wish.

HON J BOSSANO:

It is Government's desire, Mr Speaker, to encourage as many people as possible to take up home ownership and owner occupation and if, in fact, it is brought to the notice of the Government that there is a handicap in the way that this is operating which is preventing people of modest means from obtaining a home, the Government thinks there is nothing that should be looked into to see if this can be overcome, that is the position?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, I don't accept the inference which is drawn by the Hon Member. As he quite rightly says the facility whereby anyone who purchases property is able to claim a capital allowance up to 20% of the purchase price or £2,000, is in addition to the interest which he will be granted when he takes out a mortgage. I think those

facilities are very generous and stand in comparison with those of other administrations.

HON J BOSSANO:

I am not disputing, Mr Speaker, that they are generous. What I am saying is if people cannot, in fact, take advantage of it they are only theoretical and if the Hon Member has brought to his notice difficulties in people being able to obtain the tax relief should he not agree to look into the matter to make sure that people are able to take advantage. Presumably, the Government has got it there so that people can use it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, I am not prepared to give that assurance, Mr Speaker, because I don't think there is any need for it.

HON J BOSSANO:

So the Hon Member is satisfied that all the people who want to buy themselves flats have no difficulty in claiming the relief and obtaining the necessary assistance in purchasing a property even though they can only do it after the building is finished and the developer will not sell it to them unless they pay for it before it is started and he is quite happy that that system works well, yes?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is the normal arrangement, Mr Speaker, and bearing in mind the many years of advantage which the individual purchaser will be able to take of the various tax reliefs obtainable, I don't think that the temporary situation which he has described and which, for all I know, may be a gross exaggeration of one particular instance, is one which calls for further consideration.

MR SPEAKER:

Next question.

NO. 195 OF 1986

ORAL

THE HON J BOSSANO

Has Government now reconsidered the tax treatment of permitted individuals during periods of unemployment?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the Income Tax (Permitted Individuals) Rules 1985 apply to persons who, broadly speaking, are not resident in Gibraltar but who, while in employment in Gibraltar, are entitled to most of the deductions allowed to ordinarily resident individuals. If the permitted individual ceases to be employed in Gibraltar, those deductions and the tax bands are apportioned to the number of months he was employed during the tax year. There are no proposals for changing the tax treatment of such individuals in the immediate future but the Government will keep these and other aspects of the tax structure under review.

SUPPLEMENTARY TO QUESTION NO. 195 OF 1986

HON J BOSSANO:

The Government, Mr Speaker, does accept that persons in this situation are being more highly taxed on their income whilst in employment as a result of periods of unemployment as compared to residents and that is considered by Government acceptable, is it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There are differences, Mr Speaker, in the treatment of unemployed persons depending on whether they are domiciled resident in Gibraltar that is to say, they live in Gibraltar, and those who are not domiciled, that is to say, do not live in Gibraltar. I accept that, Mr Speaker, if that was the point the Hon Gentleman was making.

HON J BOSSANO:

No, the point that I am making, Mr Speaker, as the Hon Member knows very well, is that the situation is that permitted individuals who are working in Gibraltar and are commuting to work every day of whom there are increasing numbers with every passing day are taxed more highly because they lose their allowances during periods of unemployment than if they were resident here on exactly the same income. Two individuals, one residing and one commuting, suffering periods of unemployment, will pay more tax if

he is a commuter than if he is a resident. The Government knows that and accepts that and thinks there is no need to change that, is that the position?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There are differences, yes, Mr Speaker, I accept that.

HON J BOSSANO:

Mr Speaker, I am not saying there are differences, I am saying one pays more tax than the other, is that a fact or is it not a fact, if it is not let the Hon Member deny it.

MR SPEAKER:

He has said that there are differences between a person paying his allowances based on the fact of whether he is resident or not resident in Gibraltar.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I would not like the House or, indeed, the Hon Member to think that there is any difference in the tax treatment. Tax is normally something which is charged against earnings and while they are earning there is no difference, that is the whole purpose of the various features of the Income Tax Ordinance and, indeed, the Permitted Individuals Rules otherwise without the Permitted Individuals Rules a person who was a permitted individual would be taxed at 30% and rise to 50% steeply without getting any allowances.

HON J BOSSANO:

Is it not a fact, Mr Speaker, that the Hon Member brought in those Rules precisely because that was the situation in existence and as a consequence of the law as it was before that was introduced and as a result of my bringing questions to the House the Government looked into it and accepted that there was a different tax treatment of individuals in similar circumstances. I am now saying to the Hon Member does he not accept that this continues to be the case for very many workers who suffer periods of unemployment in between jobs and that if they are permitted individuals, if they work forty weeks out of a year and they have twelve weeks unemployed, then on the income they earn in those forty weeks they finish up paying more tax than if they were resident here and the Government accepts that situation and thinks that there is nothing that can be done about it, that is the position?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, again, Mr Speaker, the Hon Member has referred to the circumstances

which an individual was unemployed. I think it is very difficult to generalise here because a person, and we are taking a case he mentioned, forty weeks in employment and twelve weeks unemployed, it may very well be that that particular individual in that particular case would, as a result of his unemployment depending on the period of unemployment, be treated no differently. The actual operation of the tax laws in any individual case is, of course, one which depends on the precise circumstances so I wouldn't accept his generalisation but I do accept that there can be and there is provision in the law for a difference of treatment of an individual who resides in Gibraltar and one who resides outside Gibraltar permanently but is employed in Gibraltar in the circumstances in which one or the other might become unemployed.

HON J BOSSANO:

Is Government satisfied that the way they are operating the Permitted Individual Rules in respect of periods of unemployment is not in conflict with Community law?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker, the whole purpose of the Permitted Individuals Rules was, in fact, to ensure that there was no discrimination against what I think would generally be regarded as frontier workers. The distinction in tax terms is, of course, between various types of residence, residence and domicile, not of course a discrimination on grounds of nationality or anything like that and such differential treatment in tax terms between residents and non-residents and so on is perfectly normal in tax law.

HON J BOSSANO:

That is not my question, Mr Speaker. My question is, is Government satisfied that the way they are applying the Rules, during periods of unemployment, I have said, is not contrary to Community law and the answer is that the Government is satisfied, yes?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker, but I have said we will keep these and other aspects of the tax structure under review in the light of developing circumstances. I certainly accept there is a need to do that.

MR SPEAKER:

Next question.

3 11 86

NO. 196 OF 1986

ORAL

THE HON J BOSSANO

Can Government state whether its policy is to finance tax reductions by increased public borrowing?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Answered together with Question No. 198 of 1986.

THE HON J BOSSANO

Can Government explain what is the estimated effect on economic growth of having stimulated demand by increasing disposable incomes in the current financial year?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, as the Hon Member will recall, the increase in disposable income as a result of the tax cuts in the Budget was estimated at about £3 million. In the absence of up-to-date data on the multiplier effects of marginal propensities to consume and/or save, it is not possible to give an accurate estimate of the effect on demand and hence growth in the domestic economy attributable directly to this. Consumer expenditure has certainly increased but to what extent locally and to what extent abroad will perhaps become clearer when the next Family Expenditure Survey is carried out.

SUPPLEMENTARY TO QUESTION NO. 197 OF 1986

HON J BOSSANO:

Would the Hon Member not agree that in the light of those considerations it makes or it would appear to make better sense to concentrate the stimulation of economic growth by increasing capital spending rather than by stimulating consumer expenditure in the light of the comments he has made?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think there are two separate questions there, Mr Speaker, and I would not say that my support, naturally, for capital development where this is considered necessary for the development of the economy, infrastructural or social purposes, rules out the possibility of reducing taxation from the existing very high levels in Gibraltar which all members of the community and I think all shades of political opinion often draw attention to as being excessive.

HON J BOSSANO:

Mr Speaker, I am not asking the Hon Member whether taxes are excessive, I know that and he knows that, he is responsible for putting them. What I am asking him is, would he not agree in the light of the answer that he has given me, that if one wants to

stimulate economic growth and if one doesn't know what the multiplier effect is and if one doesn't know how much of an extra increase in disposable income is spent in Gibraltar and how much is spent outside Gibraltar for a given amount of money it is reasonable to suggest that it is better to stimulate the economy by capital investment, would he not agree with that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, without actually repeating everything I have just said, I wouldn't accept that particular hypothesis. I regret that in fact the existing Treasury model which is based really on the 1982 Input/Output Study is not adequate to provide the necessary details about the effects of increased consumer expenditure or, indeed, the effect of tax increases on consumer expenditure and growth in the economy. We would hope to be able to put that right but obviously there are a great many pressures on very limited resources in the Economic and Planning Office at the moment. We propose to carry out the next Family Expenditure Survey in 1987 and perhaps we will be in a better position then to look more closely at these matters.

MR SPEAKER:

Next question.

NO. 198 OF 1986

ORAL

THE HON J BOSSANO

Is it the policy of the Government to continue to borrow to meet recurrent expenditure in spite of the fact that the circumstances anticipated to justify the introduction of this policy in December 1984 have not materialised?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, as I indicated to the Hon Member in my answer to question No. 125 of 1986, the Government is not increasing public borrowing. As I explained on that occasion, public debt has been reduced over the past two years. The latest estimates show a further reduction in prospect as part of the Treasury's ongoing responsibility for effective debt management. The figures for public debt, actual and forecast for the five years commencing with 31st March, 1985, are now as follows:

	£m
1985	28.9
1986	28.5
1987	26.8
1988	25.1
1989	20.4

It will remain Government policy to use whatever funds are raised, either locally or from commercial sources, primarily for purposes of development, as it has been in the past. The figures of declining public debt, against the background of a buoyant economy and expansion of Government revenue, demonstrate that there is ample scope for further borrowing to meet the requirements of the 1986-1990 Development Programme without increasing public debt charges beyond the capacity of the economy to sustain.

SUPPLEMENTARY TO QUESTION NOS. 196 AND 198 OF 1986

HON J BOSSANO:

Mr Speaker, the Hon Member has not answered Question No. 196. Is it the policy of the Government to borrow money to finance tax reductions?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, I think it is the Leader of the Opposition who has at intervals in the past conjured up the chimera of wholesale Government borrowing to meet recurrent expenditure or reduce taxation and then proceeded to attack the illusion he himself has created.

HON J BOSSANO:

Mr Speaker, this is not a debate, I am seeking information. I am prepared to have a debate on this and I shall bring a motion at a future meeting of the House to give the Hon Member an opportunity to give vent to his own frustrations on the subject. However, what I would like to know is, is it the policy of the Government to finance tax reductions by borrowing or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I have already answered that, Mr Speaker, no.

HON J BOSSANO:

So does the Hon Member still believe that to be against financing tax reductions by public borrowing is, in fact, reminiscent of the Stalinist era in the Soviet Union or has he become a Stalinist now?

MR. SPEAKER:

Next question.

NO. 199 OF 1986

ORAL

THE HON J E PILCHER

Can Government state whether it proposes to provide funds to GSL to meet the backdated costs of setting up a Pension Scheme with effect from 1st January 1985?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, as the Hon Member will be aware, the Government has provided an interest free loan to the Company of £¼ million and that is the sum of the Government's financial commitment to date. However, when it became known, during the negotiations about GSL pay earlier this year, that the company had not made any contribution to the Pension Fund for 1985, the Government indicated that it would be prepared, if necessary, to underwrite any benefits to which any employee of the company might be entitled as a result of his service with the company in 1985.

SUPPLEMENTARY TO QUESTION NO. 199 OF 1986

HON J BOSSANO:

Mr Speaker, since then has Government satisfied itself that, in fact, there was a commitment given to establish the Pension Fund and is Government going beyond the position they adopted at that time if the company has publicly acknowledged the existence of such a commitment but may not be in a position to fulfil it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I confirm that there was a commitment on the part of the company to establish a Pension Fund certainly and discussions have taken place. The company's commitment is quite clear and insofar as I am aware, I certainly hope and expect that they will honour this commitment.

HON J E PILCHER:

Mr Speaker, if the company had a commitment to the Pension Scheme which the Hon Financial Secretary has just admitted, is the Government satisfied that having had this commitment they did not provide the financial part in order to honour that commitment and are therefore calling upon the Government now to underwrite this financial commitment?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think there are two separate points here, Mr Speaker. I am sorry, I have forgotten what the Hon Member asked. There is a commitment, there is no doubt about it and secondly I think the Hon Member is quite right in saying that no financial provision was made by the company in 1985 and that is what they must put right. The second point is as I have explained, in the context of the industrial dispute and the settlement earlier this year the Government certainly gave its assurance that notwithstanding the company's failure to make any contribution in 1985 the Government would underwrite any benefits if necessary, any benefits which might be due to any member as a result of that failure. Of course, I should explain that the actual structure of the Pension Fund and the contributions is quite a complex one, there are three or four elements contributory and non-contributory.

MR SPEAKER:

Next question.

NO. 200 OF 1986

ORAL

THE HON J E PILCHER

Can Government state how much of the guaranteed £14m of RFA work has been carried out to date by Gibrepair and what remains in respect of 1987?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the value of RFA work carried out to date by Gibrepair is around £8.2m. It is estimated that around £7.2m worth of work remains for 1987.

SUPPLEMENTARY TO QUESTION NO. 200 OF 1986

HON J BOSSANO:

Mr Speaker, is there now a programme agreed with MOD for the RFA's for 1987, I mean for the remainder? Is there agreement now on the ships that are coming and on the value of the work?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Insofar as I am aware these discussions tend to go on more or less continuously. I couldn't give the Hon Member an assurance that an X number of ships are coming at a particular time, I think that is something which only the company would be able to determine.

HON J BOSSANO:

In the year.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Obviously we know we are going to get £7.2m worth but the exact programme profile I have no information about.

HON J BOSSANO:

That is what I am saying, Mr Speaker, the position then is that the provision of the remainder of the RFA programme of the £7.2m for 1987 has now been confirmed and agreed, is that the position?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

More or less, yes.

HON J BOSSANO:

So that means that, in fact, the programme will be completed by the end of 1987 at the latest, that is what we are talking about, and we don't know what is happening in 1988?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

One expects that it will be completed by 1987 but there may, of course, be some slippage.

MR SPEAKER:

Next question.

3 11 86

NO. 201 OF 1986

ORAL _____

THE HON J E PILCHER

Can Government give the number of Gibraltarian hourly-paid workers at Gibrepair at the end of September, 1986, and how does this compare against the figures for the same month of 1985?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Sir, the total number of Gibraltarians hourly-paid workers in Gibrepair as at the end of September, 1986, was 319. This compares with a figure of 317 for September, 1985.

NO. 202 OF 1986

ORAL

THE HON J E PILCHER

Can Government state when the House will be able to study GSL Company Accounts for 1985?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, I would hope that the 1985 GSL Accounts will be tabled at the next meeting of this House.

SUPPLEMENTARY TO QUESTION NO. 202 OF 1986

HON J E PILCHER:

Mr Speaker, can the Hon Financial and Development Secretary say what is the cause of the delay in bringing the Accounts to the House this year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker, the 1985 Accounts have been completed and I understand they are ready for audit certification. In certifying the Accounts the auditors, naturally, wish to assure themselves and, indeed, so would the company, that they have sufficient funds to trade over the next twelve months. This matter is in turn being considered in the context of the consultancy which is being carried out by Price Waterhouse and which we expect a result fairly shortly. Given the time-scales involved the company sought authority and, in fact, was given a three-month extension under Section 115 of the Company Act for a delay in the presentation of the GSL Accounts.

MR SPEAKER:

Next question.

NO. 203 OF 1986

ORAL

THE HON J E PILCHER

Can Government state how much money was programmed for the annual training of apprentices in the Project Study for the Dockyard commercialisation?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, no specific figure is shown in the Project Study for the training of apprentices. The sums of £300,000 and £400,000 are shown as the employee costs of apprentices in the first and second years respectively.

SUPPLEMENTARY TO QUESTION NO. 203 OF 1986

HON J BOSSANO:

Mr Speaker, is the position then that the company is no longer able to meet the costs provided for the Project Study for the cost of employing apprentices?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, I don't think I would put it quite as bleakly as the Hon Leader of the Opposition has, Mr Speaker. Certainly as part of its general review of expenditure this year particularly overheads and other administrative costs, GSL felt that they should cut back on the first year trainees and recruit apprentices from the College of Further Education in the second year. The point here was that there was a very high wastage rate amongst first year apprentices in 1985, for example, and about half taken on originally later in the year. The Government has agreed to assist with the training costs of first year apprentices by paying the £15 weekly allowance to GSL apprentices in line with the policy established under the Youth Training Scheme. The apprentices who will be employed by GSL would be taken on by the College of Further Education and the Government is also, of course, contributing towards the cost of running the GSL's own Training Centre.

HON J BOSSANO:

Mr Speaker, isn't this a major policy change on the part of the Government given that initially the Government was charging such high fees to GSL for training in the College that, in fact, GSL threatened to withdraw all its apprentices from the College?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am not aware of the dramatic change in policy, Mr Speaker, I don't know whether the Minister for Education has any information on this.

HON G MASCARENHAS:

Mr Speaker, there is an item in the Appropriation Bill which we shall be looking at later on in the proceedings where the Department of Education has asked for further sums of money and I think I can explain that either later or now.

HON J BOSSANO:

I am asking about Government policy. Is it not a fact, Mr Speaker, that in 1985 the Government sought to charge GSL with the full commercial cost of training their apprentices in the College to the extent that GSL threatened not to send them there because they couldn't afford it? Is that not a fact and, if so, if we have gone from that to actually subsidising their students, from one extreme to the other, is that not a major policy change?

HON G MASCARENHAS:

No, Mr Speaker, I wouldn't call it subsidising in any way, the arrangement that has been made in respect of the first year intake of apprentices is very reasonable and very favourable to the Government in the sense that we are getting the facilities which GSL have for training which are by far better than what we have found in the College of Further Education when we took that over last year and therefore we are gaining the facilities. For example, a training lathe costs £16,000 to replace and GSL have eight of these. In order for the Government to replace equipment it would cost us a lot of money over many years and we find the facilities are available there and for the small cost of 50% of the cost that we envisage with GSL for the first year training, I think the Government are getting a very good deal.

HON J BOSSANO:

Are those facilities going to be used by people other than GSL employees?

HON G MASCARENHAS:

Absolutely.

HON J E PILCHER:

Notwithstanding all that has been said, Mr Speaker, I have to go back to the initial question and I think a must as a follow-up is, are the Government satisfied that having in the Project Study which was really the point at which GSL sold the people of Gibraltar what they were intending to do with the dockyard commercialisation. They gave quite a high level of propaganda to their training and their apprentices, etc, laying back £300,000/£400,000. Is the Government satisfied that again as with the Pension Scheme, the commitment is there but the financial provision is not there and now the Government has had to subsidise, perhaps, the facilities. There is a point there but, nevertheless, we are now subsidising the apprenticeships in GSL.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think I would distinguish between the sort of Pension Fund commitment on the one hand and this on the other, Mr Speaker. In the case of the apprentices I think it is mainly a question of GSL in discussion with the Government in the light of changing circumstances and I have mentioned certain factors such as the very high turnover and, therefore, what I might call the high wastage and the ineffective costs, if I may use that word, to provide the service to try and do it rather more differently and more efficiently and if it can save GSL money, as the Minister said, and still provide an effective way of training apprentices then I think this is to be applauded.

HON J E PILCHER:

Well, Mr Speaker, applauded is perhaps too strong a word. I accept the changed circumstances that the Hon Financial and Development Secretary is talking about, the changed circumstances have happened since the 1st January, 1985, and ^{in the} end every single part of the Project Study has been changed due to changed circumstances. But nevertheless I am asking the Government, are they satisfied that GSL is not producing what they promised in the Project Study to do as far as apprenticeships are concerned.

HON G MASCARENHAS:

Mr Speaker, I must make it clear that the twenty-five apprentices that GSL have taken on remain GSL apprentices, we are only assisting in the training.

HON J E PILCHER:

I accept that they are assisting in the training, Mr Speaker, but they are assisting to the tune of extra thousands of pounds which

was never in the Project Study going to be the part of the Gibraltar Government. The other question, I think, that surfaced was because of the changed circumstances they found that half of the first year apprentices left during the year. This is, I think, a process which would be more of inner thinking by GSL in their overall working plan than a worry on the part of Government to take up that financial provision, Mr Speaker.

MR SPEAKER:

Next question.

NO. 204 OF 1986

ORAL—

THE HON M A FEETHAM

Can Government state the number of EEC Directives still pending for implementation in Gibraltar, the area of application and the date when they should have taken effect or introduced?

ANSWERTHE HON THE ATTORNEY-GENERAL

No, Sir, I cannot. I know that there are a number of Directives which have not been implemented, for example, the Insurance and Companies Directives. However, Bills implementing these Directives have been prepared and are currently being studied. It is hoped that the Bill implementing the Insurance Directives will be introduced at the next Meeting of this House.

Mr Speaker, a Committee chaired by the Head of General Division has been set up and the purpose of this Committee is to examine the progress made in the implementation of Directives, to monitor action to be taken on the Directives and to ensure that Directives which have not already been implemented will be implemented.

SUPPLEMENTARY TO QUESTION NO. 204 OF 1986

HON M A FEETHAM:

Mr Speaker, since the Hon and Learned Member opposite cannot answer the question, how does he know how many Directives have still got to be implemented? I would like the Hon and Learned Member to answer. Is he saying that different departments do not know which Directives apply to them or not?

HON ATTORNEY-GENERAL:

We know which Directives, it is a question of how many Directives. They do not appear to be too many, not as many as the Hon Member opposite might think. For example, the Traffic Directives. In the Traffic Bill which we will be dealing with in this meeting of the House, we are implementing two or three of the Directives. The Food and Drugs legislation. I have a pile of Food and Drugs legislation in my office to look through implementing EEC Directives. Some of the Directives have been implemented by administrative action. If something is pointed out to the Department, "The Directive says this", the Department will implement the Directive without the necessity of legislation and this can be done. You can implement Directives administratively but we are looking, we are trying to focus through this Committee how many have we

still to go, how many have not been done, how many have been done? Those that have not been done what are we going to do about it, we are going to do this. And that is what we are looking at and what this Committee is looking at, we are looking forwards and backwards.

HON M A FEETHAM:

And backwards, and backwards.

HON ATTORNEY-GENERAL:

You only look back to 1973 and forward to what is coming up.

HON CHIEF MINISTER:

If I may, I think the Hon Member should be under no illusions that Member States are very anxious every day to implement the Directives that come from Brussels. All over the place there are Directives that are not being implemented as any intelligent reading of the press will show.

HON M A FEETHAM:

The Hon and Learned Chief Minister is quite right, there are many, many Member States who do not even want to introduce any of the Directives and, quite frankly, he is aware of what the GSLP policy is on EEC membership, anyway.

HON CHIEF MINISTER:

I am sure that the Brussels Commission will take the GSLP policy into account in deciding what Directives are applicable to the twelve nations.

MR SPEAKER:

Next question.

NO. 205 OF 1986

ORAL

THE HON R MOR

Mr Speaker, what percentage of school leavers left school with no public examination results in 1984?

ANSWERTHE HON THE MINISTER FOR EDUCATION, SPORT AND POSTAL SERVICES

Mr Speaker, it is estimated that 19.6% of the 1983/84 Secondary School intake left school with no certification in a public examination.

SUPPLEMENTARY TO QUESTION NO. 205 OF 1986

HON R MOR:

Mr Speaker, is the Government aware that this figure is higher than that in the United Kingdom where it is estimated that only 12% leave school with no qualifications at all?

HON G MASCARENHAS:

Mr Speaker, I dispute the Hon Member's figures totally.

HON J BOSSANO:

What does the Hon Member think it is then?

HON G MASCARENHAS:

The figure for Gibraltar is much better than comparable areas in the United Kingdom, it varies substantially between the South and the North of the United Kingdom, I haven't got the figures here but the study that we carried out as a result of this question because I imagined that the Hon Member was going in the direction that he was going and we found that we are well satisfied that we are within the national average.

HON J BOSSANO:

And the Hon Member disputes totally that the figure we have seen published of 12% national average is incorrect?

HON G MASCARENHAS:

If the Hon Member will let me know where he got the information from I would like to see it.

HON J BOSSANO:

Would the Hon Member not agree that whether the figure is high or low compared to other places there is an area there, does he think that Government should perhaps be giving some thought to how those people clearly are the ones least well equipped in entering the labour market, can be helped to acquire some skills?

HON G MASCARENHAS:

The Hon Leader of the Opposition is totally correct and thus the vast investment in the College of Further Education. These are the people that we are concerned should have training and re-training for the skills obviously for the labour market.

MR SPEAKER:

Next question.

NO. 206 OF 1986

ORAL

THE HON R MOR

Mr Speaker, are Government satisfied that RSA qualifications are generally accepted in Gibraltar?

ANSWERTHE HON THE MINISTER FOR EDUCATION, SPORT AND POSTAL SERVICES

Yes, Sir.

SUPPLEMENTARY TO QUESTION NO. 206 OF 1986

HON R MOR:

Mr Speaker, if the Government is satisfied that RSA qualifications are generally accepted in Gibraltar, does the Government as an employer accept RSA qualifications other than Stage II typing and shorthand for secretarial grades?

HON G MASCARENHAS:

Yes, Mr Speaker, the eligibility for employment in the Government Service is governed by UK Government practice. The RSA Stages II and III in communications is acceptable in lieu of the English language, for example. As far as typing is concerned Stage III is the entry requirement for the Government typing grades.

HON R MOR:

But what about English, mathematics, commerce and other subjects?

HON G MASCARENHAS:

Roughly, Stage II and III compare with an 'O' level and the Government accepts them as such which is what happens in UK and we do so here as well. What we cannot do is force private employers to accept them but normally they follow the norm.

HON R MOR:

Mr Speaker, in every single Government advertisement that I have seen if qualifications are required this normally refers to 'O' level GCE and not RSA's.

HON G MASCARENHAS:

Or the equivalent, I am sure, all the adverts say that.

MR SPEAKER:

Next question.

THE HON R MOR

Mr Speaker, how much has been saved on students' tuition fees and how much of this has been used on extra grants for scholarships?

ANSWERTHE HON THE MINISTER FOR EDUCATION, SPORT AND POSTAL SERVICES

Mr Speaker, to date, the UK Government has been unable to specify exactly how they propose to administer the payment of tuition fees for EC students undertaking first-degree or equivalent studies in the UK.

The Department is in regular communication with the Department of Education and Science in London.

The precise level of savings is not therefore known. My Department has estimated a saving of £83,000 for 1986/87, assuming a total reimbursement of tuition fees.

I gave a commitment to this House that all savings accruing from the UK Government's policy will be put to improve Government's educational awards scheme. This has already resulted in a lowering of the level of parental contributions by an estimated average of 13.7%, an increase in the level of maintenance grants of students to £2246 for London and £1901 elsewhere, and an additional 15 awards granted for 1986/87.

SUPPLEMENTARY TO QUESTION NO. 207 OF 1986

HON R MOR:

I accept that the Government did give an undertaking to reduce the points required for a scholarship but what the Government is now saying is that, in fact, they are not quite sure whether they will be getting.....

MR SPEAKER:

They are not sure of the amount.

HON G MASCARENHAS:

The amount is very difficult to work out, obviously the United Kingdom Government themselves have not finalised arrangements of how the payment will be made. What we envisage and I think I envisaged this in July in the House was that we would still

have to pay and that there would be a reimbursement and this is what we are not quite sure. We estimated the amount of £83,000 assuming that we get all the reimbursements back, they are all first degrees and everybody satisfies the criteria for EEC.

HON J BOSSANO:

The list of things the Hon Member has given, is that based on that costing £83,000 is that what he is saying?

HON G MASCARENHAS:

Yes.

MR SPEAKER:

Next question.

NO. 208 OF 1986

ORAL

THE HON R MOR

What precautions are Government taking to ensure the safe and expeditious flow of school children on entering and leaving schools?

ANSWERTHE HON THE ATTORNEY-GENERAL

Mr Speaker, arrangements are made to ensure that there is always a Police Constable on duty whenever children are entering or leaving school.

SUPPLEMENTARY TO QUESTION NO. 208 OF 1986

HON R MOR:

Mr Speaker, is the Government aware of the problems which have arisen in the new St Mary's School recently which were highlighted in the media?

HON ATTORNEY-GENERAL:

Yes, Mr Speaker, Government is aware of that problem but I believe arrangements have been made and the problem is solved. This was the problem with the pavements and the parked vehicles. Well, the existing pavements will be extended as soon as possible and the parking of vehicles will be prevented and the Police Officer on duty will stand between the junction and the crossing to be able to control both vehicular and pedestrian traffic.

HON R MOR:

Is the Hon Member, Mr Speaker, also aware that at Westside Comprehensive School due to the parking of cars around the area, children sometimes have to go on the road to walk out and go into School?

HON ATTORNEY-GENERAL:

No, I am not aware of the problem at Westside.

HON R MOR:

Will the Government undertake to investigate that?

HON ATTORNEY-GENERAL:

I will have a look, yes, most certainly.

MR SPEAKER:

Next question.

NO. 209 OF 1986

ORAL

THE HON MISS M I MONTEGRIFFO

Can Government state whether in their view there is any incompatibility between the allocation of an area of Montagu Basin for the purpose of building a swimming-pool for GASA, and the development of that area for reclamation to build a housing estate?

ANSWERTHE HON THE MINISTER FOR EDUCATION, SPORT AND POSTAL SERVICES

No Sir.

SUPPLEMENTARY TO QUESTION NO. 209 OF 1986

HON MISS M I MONTEGRIFFO:

Mr Speaker, can the Minister confirm whether GASA have been told that it will be difficult for them to draw water from the sea because of the area being put up for private development in front of them?

HON G MASCARENHAS:

Yes, Mr Speaker, this is a fact.

HON MISS M I MONTEGRIFFO:

Mr Speaker, can the Minister say whether any conditions will be imposed on GASA for the construction of the pool?

HON G MASCARENHAS:

No, Mr Speaker, no conditions have been placed. I have advised them that since the area is to be developed they will have to make provision if they want to have a sea water pool for the piping and to reach obviously the inlet at the very beginning of Varyl Begg. Obviously, if this were to be reclaimed they will have to make provision for that, if they have a fresh water pool then they will have absolutely no problems.

HON MISS M I MONTEGRIFFO:

Mr Speaker, if the cost of the construction of the pool were to increase would the Government afford financial backing to GASA?

HON G MASCARENHAS:

Mr Speaker, I cannot give any commitments.

HON MISS M I MONTEGRIFFO:

Mr Speaker, surely, this commitment was given some twelve years ago is the Government changing their minds about the commitment?

HON G MASCARENHAS:

Mr Speaker, we have no idea of the cost of the swimming pool, it is impossible for the Government to make a commitment on that basis.

HON MISS M I MONTEGRIFFO:

Surely, the Government made the commitment already in their last manifesto when they said they were committed to the construction of the pool, are they changing their mind now?

HON G MASCARENHAS:

No, Mr Speaker, the commitment of the Government still stands, we are committed to building a swimming pool, we have not got the financial means to do so therefore the present position is that there is a reclaimed area which the Government have reclaimed for GASA and we have told GASA categorically that if they can proceed with the construction of the swimming pool then we will assist them but until we have firm plans on that basis there is nothing I can do.

HON MISS M I MONTEGRIFFO:

Mr Speaker, didn't the Minister say in a recent radio broadcast that we would have a pool in the near future? How near does he see that future then?

HON G MASCARENHAS:

Mr Speaker, I am encouraged by the work that GASA themselves are carrying out, very encouraged.

HON MISS M I MONTEGRIFFO:

In that case, Mr Speaker, the Minister is saying that they will assist GASA but not fully, it all depends on what plans they produce but the full financial backing is no longer there, is that what the Minister is saying?

HON G MASCARENHAS:

No, Mr Speaker, that is totally incorrect, we do not know what the cost of the swimming pool is. What the Government cannot commit themselves is to say: "We are going to give you £4m of taxpayers

money to pay for your swimming pool" when we don't know what the cost is, we don't know whether it is £5, £10, or £¼m and surely no Government in its right mind is going to commit itself to a swimming pool or to anything else on the basis of no facts.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the Government are already committed to constructing the pool.

HON G MASCARENHAS:

A commitment in principle to build a pool but we haven't physically got the money.

HON J L BALDACHINO:

Mr Speaker, when the Government gave its commitment to GASA to build the pool there Government at that time still hadn't made up its mind what they were going to do with the Montagu Basin, is that correct?

HON G MASCARENHAS:

Mr Speaker, there are other priorities and we look at the priorities in themselves. The swimming pool, unfortunately, is a very low priority as far as the Government is concerned.

MR SPEAKER:

No, you are being asked a simple question. When Government committed itself to build the pool at that particular place, was the Housing Estate which is going to go there already committed?

HON G MASCARENHAS:

No, the Housing Estate is a new thing of reclaiming the Montagu Basin.

HON J L BALDACHINO:

If that was the case then surely when GASA took the decision to build the pool there they took that decision on the understanding of what the cost was going to be at the time. If the Estate is going to be built there at the Montagu Basin and they will have to take all these pipelines out by the entrance of Varyl Begg, maybe the cost is now so much greater that they won't be able to pay for it. If that is the case will Government give them financial support?

HON G MASCARENHAS:

No, Mr Speaker, the commitment by the Government was included in the manifesto for the 1980 General Election for the first time and that still remains an aim of policy. At the time the area at Montagu Basin where the GASA premises are situated was still not reclaimed, in the six years that have passed we have reclaimed a substantial area, enough to build a swimming pool.

HON J E PILCHER:

GASA has reclaimed it.

HON G MASCARENHAS:

GASA reclaimed it with the Government's support, they wouldn't have been able to do it alone. The position is that there is a substantial reclaimed area, enough for a swimming pool which remains there. It would be immoral and certainly the Government would not consider that we should stop GASA if they have the means to build a swimming pool because a Housing Estate is going there. The area is so minute in relation to the whole area that the Development and Planning Commission made a decision, a pragmatic decision, I think, to allow GASA to build if they can build and once they are in a position to be able to commit themselves then they will come to Government and say: "This is the cost of the swimming pool", and we might be able to assist them, yes.

HON J E PILCHER:

Mr Speaker, if I have understood the Minister correctly, it is the aim of policy of the AACR Government to build a swimming pool and they are committed in principle for GASA to build that swimming pool.

MR SPEAKER:

No, to assist GASA to build the swimming pool.

HON J E PILCHER:

But their aim of policy is for GASA to build a swimming pool.

MR SPEAKER:

To assist GASA.

HON J E PILCHER:

If the Minister is talking about immorality is it not immoral as my Hon.....

HON G MASCARENHAS:

Mr Speaker, immoral if we were to tell GASA now: "Look, you cannot have that area because we are going to build houses there" that would be immoral.

HON J E PILCHER:

As a follow-up of that, is it not immoral having agreed that the area is now there for the swimming pool to be built, is it not immoral then that if there is an extra cost as a result of new plans, for Government at least to make themselves responsible for the extra costs that the swimming pool is going to cost now as it would have cost three months ago. At least irrespective of their financial assistance towards the building of the swimming pool I think the Government have a moral obligation to pay for the extra cost.

HON G MASCARENHAS:

Mr Speaker, I am sure that this will be taken fully into account.

HON J E PILCHER:

I am not asking for taking this into account, I am asking, Mr Speaker, is the Government prepared to accept that commitment?

HON G MASCARENHAS:

No, Mr Speaker, I cannot accept that commitment.

MR SPEAKER:

Next question.

NO. 210 OF 1986

ORAL

THE HON R MOR

Mr Speaker, are Government taking any further steps to alleviate the problems of single parents?

ANSWERTHE HON THE MINISTER FOR LABOUR & SOCIAL SECURITY

Mr Speaker, the allowance of £7.50 per week for single parents introduced in August this year under the Supplementary Benefits Scheme will be reviewed for next year together with other social insurance and supplementary benefits. I will inform the House of the results of the review at its next meeting.

The special income tax allowance for single parents, which at present stands at £2,200, may be reviewed in the context of next year's budget.

THE HON M A FEETHAM

Will Government introduce an allowance for those citizens medically certified incapable of working as distinct from any assistance which they may be entitled to in addition to supplementary earnings?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

No, Sir, a system of invalidity benefits is open to abuse and would prove extremely costly and difficult to administer in view of the large size of the immigrant labour force.

The Government is satisfied that the present system of supplementary benefits is adequate in the circumstances.

SUPPLEMENTARY TO QUESTION NO. 211 OF 1986

HON J BOSSANO:

Mr Speaker, but surely immigrant workers do not get supplementary benefits, how do immigrant workers come into it?

HON DR R G VALARINO:

That is exactly why.

HON J BOSSANO:

That is exactly why, that is to say, because they don't get it he won't do it because of them is that why? Mr Speaker, is the Hon Member saying then that people who are incapable of working are currently enjoying a standard of living acceptable to the Government on supplementary benefits? If the Hon Member hasn't understood the question I will repeat it. Is the Government satisfied that people who are certified as being incapable of working for medical reasons are currently enjoying a standard of living on supplementary benefits which is satisfactory from a Government point of view and nothing further needs to be done for them?

HON DR R G VALARINO:

Sir, people who have retired because of an invalidity could well have retired on medical grounds and could well be on a pension at a far earlier age than other normal people. This tends to help

them apart from the obvious gratuity that they would get. We are talking here about a system of invalidity benefits and the Government feels that such a system is open to abuse and would prove extremely costly and difficult to administer in view of the large size of the immigrant labour force. As far as Gibraltarians are concerned, the Government is satisfied that the present system of supplementary benefits is adequate in the circumstances. The Hon Member knows that supplementary benefits are for Gibraltarians and for UK residents of Gibraltar for a minimum period of three years.

HON M A FEETHAM:

Mr Speaker, the Hon Member has given an answer but is the Hon Member satisfied that society has to depend on people who are medically retired because they are found incapable of working, for example, hypothetically, somebody is retired because he has become blind or near blind and he quite rightly, as the Hon Member opposite has said, may be retired on a pension which could be anything from £5, £10, £15 to £80 a month and that because, for example, his wife may be working he is not entitled to any other means of income putting him in a position where his total dependence is on his wife because when you add what his wife is earning to what his pension is it is beyond supplementary. That is the official position today. My question is a matter of principle, a matter of policy. Does society want to look after people who are incapable of work due to the fact that they are invalidated out and the medical history says "This person can never ever work again" and therefore that person is a burden for himself and requires support?

MR SPEAKER:

We are making statements now.

HON M A FEETHAM:

That is what I want answered.

HON DR R G VALARINO:

Mr Speaker, Sir, with regard to the first part of what the Hon Member said about a person who is partially or totally blind, let me say to him that if he does work for the Crown and he is permanently and totally invalidated on account of his eyesight, it is the practice to judge him totally incapable of work and then his pension would be automatically brought forward. As regards the second part of what he has said, I am sure that any specific case of hardship which the Hon Member will bring to me or to the Government will be looked into and we will reassess any further

assistance that may be necessary in this area.

MR SPEAKER:

Next question.

NO. 212 OF 1986

ORAL

THE HON R MOR

Mr Speaker, in the case of an employee who is absent on sick leave and subject to medical retirement, does Government accept that he must return to work prior to the date of retirement in order to subsequently claim unemployment benefit?

ANSWERTHE HON THE MINISTER FOR LABOUR & SOCIAL SECURITY

Mr Speaker, as the law stands at present, a person who becomes unemployed must claim his unemployment benefit within six months of having paid his last contribution as an employed person. As a result, a person who becomes unemployed through illness and is unable to submit his claim within the six months' limit, would lose his entitlement to unemployment benefit.

A case which was brought to the notice of the department by the Hon Questioner recently shows that it is necessary to introduce legislation in this respect. This will be done at the next meeting of the House, in the context of the review of social security benefits, in order to rectify the situation.

NO. 213 OF 1986

ORAL

THE HON M A FEETHAM

When does Government intend to introduce legislation to compel certain employment establishments of an acceptable size to offer employment to handicapped persons able to carry out a useful occupation?

ANSWERTHE HON THE MINISTER FOR LABOUR & SOCIAL SECURITY

Mr Speaker, the Government does not propose to introduce legislation of the nature visualised in the question for the time being.

Although the Government shares the questioner's concern about finding useful employment for handicapped persons, it is not an easy matter to identify or create vacancies to suit the particular disabilities of each handicapped case.

It is therefore the Government's policy to try and identify individual cases first and then find suitably appropriate employment. To this end, a Committee has been set up under the Chairmanship of the Minister for Public Works to look into the question of providing sheltered employment within the Government service. So far, the Committee has been able to find employment for four handicapped persons and it is continuing in its efforts.

At a later stage it is proposed to seek the co-operation of other areas in the public sector as well as the private sector, but it was felt that as a first step, the Government should set the example in this respect.

In the circumstances it is not considered advisable at this stage to introduce legislation of a sweeping nature, which would probably be difficult to enforce in any event.

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NO. 214 OF 1986

ORAL

THE HON M A FEETHAM

Will Government introduce a programme as a pilot scheme to offer training assistance to handicapped persons who could acquire skills to enable them to carry out a useful occupation?

ANSWER

THE HON THE MINISTER FOR LABOUR & SOCIAL SECURITY

Mr Speaker, the Government will certainly look into the possibility of introducing a pilot scheme as suggested in the question. The matter is being investigated and let me add that any specific proposals which the Hon Member may wish to put forward in this respect would be welcomed.

NO. 215 OF 1986

ORAL

THE HON J C PEREZ

Mr Speaker, can Government confirm that the Fair Wages Clause in Government contracts is still not being complied with and what steps are they taking to remedy the situation?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, it is confirmed that the Fair Wages Clause in Government contracts at the time the question was put was still not being complied with by some of those firms engaged in such contracts which have not reached an agreement with the Union.

The Director of Labour and Social Security issued a warning to the effect that failure to comply with the conditions of the Clause would render the firms in question liable to be struck off the list of approved contractors. Following this, a number of points have been raised by the legal advisers of one of the firms in question and these points are currently under consideration.

SUPPLEMENTARY TO QUESTION NO. 215 OF 1986

HON J C PEREZ:

Can the Hon Member state what are the legal points being made to the Government? The issue is pending since July, I got the same reply in July,

HON DR R G VALARINO:

Mr Speaker, Sir, I think this is very confidential and I honestly cannot release any information on this matter.

HON J BOSSANO:

Mr Speaker, does the answer imply that the Government is no longer enforcing the Fair Wages Clause? Is the Fair Wages Clause still being included in contracts that are currently being put out by Government?

HON DR R G VALARINO:

Mr Speaker, yes, Sir.

HON J BOSSANO:

What are people being told to get those contracts? Are they

being told that they have to pay a certain level of wages or not?

HON DR R G VALARINO:

Mr Speaker, as the Hon the Leader of the Opposition would well know as he is a member of the Manpower Planning Commission, he knows full well the structure and the kind of follow through of the procedure that the Director has. Let me reassure him that the Government stands by the Fair Wages Clause, it has always stood as far as I have been concerned by the Fair Wages Clause and the only thing I would like to do is to again give the Hon the Leader of the Opposition a complete and utter assurance that the Fair Wages Clause is being complied with.

HON J BOSSANO:

But the Hon Member admits that it is not being complied with and has told us that since last July there have been a number of legal points raised by representatives of the firm not complying with the Clause. Surely, Mr Speaker, that means that the enforceability of the Clause in law is being challenged. If that is the case and that is what the implication looks to us as being the case from the answer we have had from the Hon Member, what I would like to know from the Government, not necessarily from the Minister, from the Government, in the light of the legal difficulties they may be facing as the Clause is drafted, what are they doing about making sure that anybody getting new contracts has got no loophole for getting out of the Fair Wages Clause?

HON DR R G VALARINO:

Mr Speaker, the Director of Labour and Social Security first of all makes sure of the firms who are not complying with the conditions of the Clause and eventually in his opinion he will strike these firms off the list of tenderers. But he was unable to do so because various points were raised by the legal advisers in questions. If they had not been raised the firms would have been struck off. He was seeking legal opinion on this and this is why the matter, at the time was under consideration. Since then I am glad to say there has been agreement between the Gibraltar Master Builders Association and the Union and that these problems seem to have been solved.

HON J BOSSANO:

Mr Speaker, independent of the fact that there is now as provided in the Fair Wages Clause, there is now a situation where there are rates of wages and hours and conditions of labour which have been reached by agreement by negotiation which is what the Clause says, what I am saying to the Government is if the House is being

told now as it was being told in July that the enforcement of the Clause has not been proceeded with because the legal advisers of the company against whom the Clause was being enforced have raised a number of points, it can only be that they have raised a number of points challenging the ability of the Government to enforce the Clause. If that is the case what is the Government doing to make sure that in new contracts the Fair Wages Clause is structured in such a way that the same points, if they are loopholes, cannot be found in the context of the rates of pay that are now being paid? What guarantees can the Government give to the House of Assembly that it is able to enforce the Fair Wages Clause in Government contracts because if they cannot enforce it why have it there?

HON ATTORNEY-GENERAL:

Mr Speaker, maybe I can assist on this. A certain number of legal points have been raised by the solicitor acting on behalf of one particular employer. Those points have been looked at by me, I have had a preliminary glance at them, it is only a preliminary glance and I will try to arrange a conference with the Director of Labour and Social Security to see what the problem is and try to advise him. I suppose, Mr Speaker, if it is found that there is a gap or a loophole in the Fair Wages Clause, Government will try and close that loophole in any future contract which it draws up including the Fair Wages Clause.

MR SPEAKER:

Next question.

NO. 216 OF 1986

ORAL

THE HON J L BALDACHINO

Is Government satisfied that the figure of 24 male Gibraltarian frontier workers as shown in the April 1986 Employment Survey is realistic?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

No, Sir. As I have stated on a number of occasions, and lately in reply to a Press Release issued by the Hon Member, I have always qualified figures produced in employment reports as slowing trends and have never expressed satisfaction that these particular figures can be taken as being accurate.

SUPPLEMENTARY TO QUESTION NO. 216 OF 1986

HON J L BALDACHINO:

So this figure shown in the Employment Survey which the Hon Member laid this morning, is as a result of the exercise that he said was being carried out by his department in July?

HON DR R G VALARINO:

The figures produced in the Employment Survey Report are a result where the employers note the addresses of the employees and put them down. I am not totally satisfied with the way it is being done because it is a very difficult way to establish definitely by an employer where somebody is living and especially with a large employer like the MOD, Government and Her Majesty's Naval Base the problem is thus accentuated. My opinion is that the figure must be on the small side but it is obviously a very difficult task to make absolutely sure that the number given in the Employment Survey Report is a realistic one.

HON J L BALDACHINO:

What I am asking the Hon Member, Mr Speaker, is if the numbers that we have now in the Employment Survey which he has laid before this House is as a result of what he answered in Question No. 142 of 1986 when he said that at the moment they were carrying out an exercise to see if they could elicit the number of frontier workers living in Spain. Is this the result of that exercise which he said was being carried out in July?

HON DR R G VALARINO:

Mr Speaker, Sir, no, this is the result of the Employment Survey Report which has nothing to do with what I said at the time. What I said at the time was that if I was not happy with the figure that had been produced in the Employment Survey Report I would try to find other means by which to monitor.

HON J L BALDACHINO:

If I can quote what was said in Question No. 142, Mr Speaker, when I asked the Hon Member in a supplementary question: "I asked this question in the last House and the Hon Member said that if he found that he was not satisfied with the figures shown he would introduce other measures to try to monitor it. Is that still the position of the Government?" And the Hon Member answered: "Mr Speaker, no, Sir, we are in the process of trying to elicit more up-to-date figures on the number of frontier workers and, in fact, we are doing an exercise at the moment to try to see whether we can get clearer and more definite numbers of frontier workers than the figures produced by the Employment Survey Report. This is being done by the Department and not by the Statistics Office". I am asking if what he laid this morning on the table, Mr Speaker, is it as a result of that exercise that was being carried out by his Department?

HON DR R G VALARINO:

No, Sir, as he can see these are the figures produced by the Employment Survey Report and not by any other means of monitoring by any other Department.

HON J L BALDACHINO:

Seeing that the Hon Member is not satisfied that it is a realistic figure, what other type of monitoring does the Government intend to introduce?

HON DR R G VALARINO:

Mr Speaker, Sir, we have gone into various types of monitoring but we have found it almost totally impossible since the question arises that as long as a worker retains a permanent address in Gibraltar it is difficult to establish whether or not he has taken up residence in Spain even if he commutes to Gibraltar daily for a period of time. It is probable that in the case of some Gibraltarians living in Spain at present the stay is of a temporary nature and they are living there as visitors and have not obtained a permit of residence. To do any monitoring one would have to do it for a considerable period of time, in fact, over many, many

months and have to interview each Gibraltarian or each UK citizen who crosses the border individually and obtain or try to obtain certain facts from them. People are very loathe about telling the absolute truth and, I feel that monitoring in this respect which is the only respect it can be done on an absolute basis is a very complex affair and could easily lead to figures which are not indicative of the number of Gibraltarians at present residing in the Campo Area.

HON J E PILCHER:

Mr Speaker, is this not a complete reversal of what we have just heard my Hon Colleague saying was the answer of the Minister in July when he said that his office was already doing a monitoring exercise in order to establish one way or another what was the case? He is now saying it is a complex situation which cannot be done. Well, if he was doing it in July and he has had July, August, September.....

MR SPEAKER:

No, he hasn't said it cannot be done, he has said it could be a long process which might not give the desired result.

HON J E PILCHER:

He said, Mr Speaker, it was already happening in July.

MR SPEAKER:

Fair enough, but he hadn't said now that it cannot be done.

HON J E PILCHER:

Could we just confirm whether it was being done in July and it is still being done or it is no longer being done.

HON DR R G VALARINO:

Yes, Mr Speaker, it was being done but it was discontinued because we realised the difficult problems that were arising as a result, Sir, and we have then been left with the figures produced in the Employment Survey Report and though not entirely to our satisfaction I can see no other way of establishing figures except by reading The Times which could give us a true indication of the numbers of Gibraltarians residing in the nearby Campo Area. There are many factors to be taken into consideration and it is virtually impossible to determine the actual figure.

HON J C PEREZ:

Mr Speaker, the Hon Member having admitted that the figure in the Employment Survey is not realistic, can the Hon Member perhaps say which he prefers to believe best, the figure in the Employment Survey or the figure given by The Times and the figure given by a survey carried out recently by Action for Housing? Which figure does he think is nearer the truth, the one in the Employment Survey or the one given by the prestigious London newspaper The Times and that given by Action for Housing in a recent survey that they have carried out?

HON DR R G VALARINO:

Mr Speaker, one has got to qualify the three of them. First of all, this one as I explained, the place of residence is given by the employers. The one given by The Times I feel that this was an off the cuff figure and that no research went into it. The figure given by Action for Housing was done, I believe, on one day's basis and similarly must lead to some fault. Therefore the answer must lie somewhere in between all these figures.

HON J E PILCHER:

Mr Speaker, is this figure not an important figure for Government when they have to look at the overall statistics in order to legislate. The Minister is saying that the study that was being undergone has been discontinued. He has only got the Employment Survey Report which he says is not realistic but nevertheless on both occasions he has said that that establishes trends. Mr Speaker, the figure for April, 1986, is lower than the figure for 1985, surely, that is no longer expressing even trends. What is the Government doing about getting proper statistics in this area, Mr Speaker?

HON DR R G VALARINO:

Mr Speaker, I have mentioned the difficulties in obtaining proper statistics in this area. I have always said that we take these figures as producing trends and I must again reiterate that the Government have never taken these figures as being totally and wholly accurate and we certainly do not use them for any significant purpose. It is an extremely difficult and complex problem and when this section was added to the Employment Survey Report at the request of the unions, if I remember rightly the Leader of the Opposition had contacts then with Mr Montado who informed him how difficult it would be to monitor these figures and that he would find it extremely difficult.

HON J BOSSANO:

I think, Mr Speaker, the Statistics Office at the time said that

they would liaise with the Hon Member's Department in producing these figures. Clearly, that hasn't happened because the Hon Member told us in the last House that it was not his Department that was doing it and his Department would do something different and more accurate. We were told when we proposed it to Government as a desirable thing, we proposed it initially to his predecessor Major Dellipiani in the Department and then to Mr Montado and the reaction we had from the Government was that both departments would have to work together on this. Clearly, it is not happening.

MR SPEAKER:

I am afraid we have gone as far as we can go on this one.

HON J BOSSANO:

Mr Speaker, I would like to ask the Hon Member one question. I would like to pursue a different road on some of the responses he has given. In saying that people who may be living over there and commuting over here may be visitors in Spain, presumably, because they have not taken up a resident permit there, does he say then, Mr Speaker, that provided they have got an accommodation address in Gibraltar they will continue to be allowed to qualify in Gibraltar for unemployment benefit and register as unemployed by his Department?

HON DR R G VALARINO:

Mr Speaker, with respect to the Hon Leader of the Opposition, I think this is an entirely different question and he is now going off at a tangent and his question does not lie within the ambit of this particular question which has been asked by the Hon Mr Pepe Baldachino.

HON J BOSSANO:

Mr Speaker, can I ask the Minister for Labour since it is his Department, what criteria he applies to determine whether people are considered to be resident workers or not given that we cannot trust what the Employment Survey which he has brought to the House says, what is the departmental criteria for determining the right to unemployment benefit which is linked to residence?

HON DR R G VALARINO:

I feel that really the most important factor is whether they are living there for a temporary period of time or they set up house in Spain. By setting up house in Spain I would have thought that the operative word is 'residing' and implies a right of residence or the acquisition of a permit of residence, therefore there may be many Gibraltarians living in Spain as visitors or purely for a matter of time and should not be considered as residents of Spain in the true sense of the word.

HON J BOSSANO:

And would the Hon Member then say that the same would apply to the permitted individuals? What is the Government policy then? Is it that the Government has got one policy in considering workers to be.....

MR SPEAKER:

We are widening the scope of the question.

HON J BOSSANO:

Mr Speaker, we have raised the issue already in a previous question and we have given notice.

MR SPEAKER:

With respect, that is basically the function of Question Time, to obtain information to be followed up at a later stage.

HON J BOSSANO:

And we have not been able to obtain that information in answer to an earlier question and now we have been given a new insight into the problem by the Hon Member.

MR SPEAKER:

Which will enable you to pursue the subject at a later stage but not now.

HON J BOSSANO:

Which enables me to ask him whether there is an inconsistency between the criteria that he has just explained and that previously explained in the question of permitted individuals. Are permitted individuals limited to those who have official residence permits or to anybody who is physically living over there?

MR SPEAKER:

We will leave it at that.

HON J BOSSANO:

Is the answer that the Government doesn't know, they need more time or that they are not willing to give the information?

HON DR R G VALARINO:

Mr Speaker, Sir, I will consult the Attorney-General and give an

answer to the Hon Leader of the Opposition on this particular question as soon as I am able to.

MR SPEAKER:

Next question.

NO. 217 OF 1986

ORAL

THE HON R MOR

Mr Speaker, what has been the total amount of pensions paid to Spaniards up to 30 September 1986?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, the total amount of pensions paid to Spaniards up to 30 September, 1986, was £4,941,037.57.

SUPPLEMENTARY TO QUESTION NO. 217 OF 1986

HON R MOR:

Mr Speaker, does this amount include the £55,600-odd which were stolen?

MR SPEAKER:

No, with respect.

HON CHIEF MINISTER:

That is a silly question.

HON J BOSSANO:

Mr Speaker, perhaps it is less silly to ask the Hon and Learned Member whether in fact the loss of those funds has been borne by the Government or by the Social Insurance Fund?

MR SPEAKER:

With respect, if the Opposition wanted to know what has happened and how the amount stolen has been replaced that is another matter. You have asked a simple question, how much has been paid to Spanish pensioners and you have been given the answer. Next question.

NO. 218 OF 1986

ORAL

THE HON J C PEREZ

Mr Speaker, can Government state whether it has given written permission to Gunac Ltd to sub-let, transfer or assign directly or indirectly any part of the work on Referendum House to the Concrete Roofing Company Ltd?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Sir, Government has not given any written permission to Gunac Ltd to sub-let, transfer or assign directly or indirectly any part of the work on Referendum House to the Concrete Roofing Company Ltd.

Gunac Ltd and Concrete Roofing Ltd are part of the Cement Gun Group. Basically they are part and parcel of the same ownership and unit each dealing with different types of operations.

SUPPLEMENTARY TO QUESTION NO. 218 OF 1986

HON J C PEREZ:

Mr Speaker, is this true as well of Constitution House?

HON MAJOR F J DELLIPIANI:

I presume so, Mr Speaker, since the company in question has been tackling both blocks.

HON J C PEREZ:

Is the Hon Member aware, Mr Speaker, that this is the requirement which under Clause 7A, paragraph (4) (a) he needs to apply before something like this happens?

HON MAJOR F J DELLIPIANI:

I am not aware, Mr Speaker, What I am aware is that when there is a contract and the Government specifically wants a particular sub-contractor to do a certain type of work then that sub-contractor is what you call a named sub-contractor and the Government will insist that that particular ^{work} be done by a named sub-contractor. In this particular case of the two Tower Blocks the onus of sub-contracting was placed on the main contractor and the Government did not specify or qualify who should be doing the sub-contracting.

HON J C PEREZ:

Is the Hon Member then aware that the Concrete Roofing Company Ltd hasn't got a trade licence required under the Ordinance?

HON MAJOR F J DELLIPIANI:

I am not aware, Mr Speaker, and in this case because both of them form part and parcel of the same company I think it is quite irrelevant.

HON J C PEREZ:

Is the Hon Member aware that Gunac Ltd can trade in Gibraltar under the licence that they have but that Concrete Roofing Company Ltd is not even registered in Gibraltar, that all it has is the name in the United Kingdom?

HON MAJOR F J DELLIPIANI:

I was not aware until this question was raised by the Hon Member. I still think that because we are dealing basically with the same company it doesn't really matter.

HON J C PEREZ:

Mr Speaker, whether we are dealing with the same company or not, can the Hon Member explain to me how the department can allow work to be sub-contracted to a company which is not even registered in Gibraltar and therefore not liable to anything that might happen and on top of that, is the Hon Member not aware that in fact Concrete Roofing Company Ltd has been sub-contracting work to another company and not actually doing it itself?

HON MAJOR F J DELLIPIANI:

I am aware of all the companies that have worked and are working in the Tower Blocks. As I said originally, Mr Speaker, we did not attach any conditions as to who should do the sub-contracting work as is sometimes done, for example, when we are doing a particular project and there are electrics to be done and we want a particular company to do that work, we specify that the electrics should be done by such and such a company, the plumbing by such and such a company, the air conditioning by such and such a company because they will meet the specifications which we have put in the tender document. In the case of the Tower Blocks rehabilitation the contract was awarded to one particular company and no conditions were attached as to which sub-contractor was employed.

HON J C PEREZ:

So what the Hon Member is telling the House is that he is quite satisfied that Gunac should have passed on this work on a sub-contract basis to a company which is not registered in Gibraltar, a company which does not have a trade licence, a company which does not employ labour in Gibraltar and on top of that he says that it is perfectly normal that the Government in this case should have broken its own legislation and not applied Clause 7, paragraph (4) (a) 'whereby the contractor shall be prohibited from subletting, transferring or assigning directly or indirectly to a person or persons whatever any part of his contract without the written permission of the pertinent authorities by the Government'? And the Hon Member says that this is quite normal and it is quite correct?

HON MAJOR F J DELLIPIANI:

I am not saying it is normal, Mr Speaker, what I have said from the very beginning is that we did not put any conditions on this contract as to who the nominated sub-contractors should be, that is what I am saying. If the company is using this as a method of avoiding tax, etc, it is not really my concern. My concern is that the job is done to the satisfaction of my department.

HON J BOSSANO:

But, Mr Speaker, if it is brought to the Minister's attention that a Government contractor is failing to fulfil one of the conditions of that contract, doesn't the Minister think that the Government ought to do something about it? Isn't the message coming out from the Government that provided you can get away with it it doesn't matter what you break in your contract if that is the attitude?

HON MAJOR F J DELLIPIANI:

I have not said that, Mr Speaker, what I have said is that the condition of this contract was such that none of the sub-contractors were nominated by Government. The first I have heard that there are other companies involved, named companies which form part of the same original company, is now. If you want me to pursue that matter on the legalities I will do so. I am looking at it as Minister for Public Works and I am saying that the work which is being carried on by whoever is doing it is being done to our specifications. If you want me to look at the legalities of the question I have no objection to doing it. I don't hold any shares in any of the companies.

HON J BOSSANO:

Nobody for one moment is suggesting that the Hon Member owns shares,

Mr Speaker, that is not the issue. The issue is and the question is whether, in fact, Gunac obtained Government permission to pass that contract on to another company which may be owned by them but it is irrelevant whether it is owned by them or owned by anybody else and the answer is they haven't obtained permission. Well, surely, if they are required to obtain permission and they have not obtained permission, what does Government intend to do about it not because we tell them to do something because if they have discovered that Gunac has broken or is in breach of one of the Clauses of their contract what does Government propose to do about that?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I will investigate the matter for the Hon Member.

HON J BOSSANO:

Would Government agree that if, in fact, the work has been done by a local company contracted by the UK company which in turn was contracted by Gunac, the Government has got some measure of responsibility to ensure that the local company is able to obtain redress for anything that they may be raising which involves at the end of the day the work which the Hon Member says he is satisfied with, paid out of public funds, whereas they may not be able to do anything about it because the company with whom they have dealt is in UK and not in Gibraltar. Would the Government not accept that it has a moral responsibility if the work has been done in Gibraltar by a Gibraltarian company through a company in UK which has never set foot here, that they as the ultimate clients have some sort of say in the matter?

HON MAJOR F J DELLIPIANI:

No, Mr Speaker.

HON J BOSSANO:

So the Government is quite happy to dish out money to a UK company, have the work done by a Gibraltar company and as long as they get the work done whether the money gets to the people who did the work or not is no concern of theirs?

HON MAJOR F J DELLIPIANI:

That is a matter of contractual obligation between the sub-contractor and the main contractor.

HON J BOSSANO:

But, Mr Speaker, there is no contract between the sub-contractor

and the main contractor, that is the whole point. The main contractor has farmed out the work to UK and the UK firm has farmed the work back to Gibraltar and that is in breach of the contract. If the Government is able to satisfy itself that it is in breach of the contract, are they prepared to withhold payment to Gunac until they make sure the payment gets to the people who did the work?

HON MAJOR F J DELLIPIANI:

No, Mr Speaker, I am not prepared to make that kind of statement, I do not know whether they are in breach of contract until the Public Works Department Quantity Surveyors have a further look at the contract.

HON J BOSSANO:

So the Hon Member has not looked at the contract before coming to the House to answer this question?

HON MAJOR F J DELLIPIANI:

I looked at the contract possibly in 1984 when it was first made.

HON J BOSSANO:

But the Government, in fact, in reading the question which clearly talks about assigning, subletting and contracting a contract with or without Government permission didn't check to find out that Government permission was required by the contract?

HON MAJOR F J DELLIPIANI:

If I have been given this information by my own department it means that the Public Works Department is not directly concerned with the assignation.

HON J BOSSANO:

But the Public Works appears to have no knowledge of it, Mr Speaker.

HON MAJOR F J DELLIPIANI:

The Minister has no knowledge, that is another thing.

HON J BOSSANO:

But the Minister has not enquired in preparing himself to answer this question whether the department gave permission for Gunac to sub-contract the work to the Concrete Roofing Company Ltd so

he is not able to give us a clearcut yes or no, whether permission was given by the department?

HON MAJOR F J DELLIPIANI:

No, I cannot because I did not pursue the matter once I realised that all the companies were the same.

HON J BOSSANO:

Mr Speaker, the ownership of the company may be the same but, surely, as legal independent entities they are different individuals and if there is a transfer of a contract from one company to the other is the Government then saying that Government policy is that if they give a contract out to one company that company could give it out to any other company as long as there is an overlapping shareholding? Is that Government policy?

HON MAJOR F J DELLIPIANI:

Mr Speaker, as I said from the questioning from the Leader of the Opposition, I will pursue the legal aspects of the contract and I thank the Hon Leader for enlightening me in the question of the sub-contracting and the contracting and all the rest of it which I wasn't aware of. What I was aware of was that basically one company had the authority to sub-contract because we had not nominated any sub-contractor and the job was progressing satisfactorily. Seeing that there are obviously, as I am now hearing from the Hon Leader, some problems over payments to do with past performances of other sub-contractors, I will certainly not involve the Government in this if I can.

MR SPEAKER:

We will leave it at that.

NO. 219 OF 1986

ORAL

THE HON J C PEREZ

Mr Speaker, has Government now had the results from UK of the experimental deep drilling for water carried out in recent years which has cost a total of £355,000?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Yes, Sir. Various reports from the Institute of Geological Sciences have been produced. The existence of a thin fresh water lens close to sea level, recharged by rainfall has been identified. Recharge estimates indicate that up to 250,000 cubic metres per year may be available for exploitation. However, there has been contamination of the lens by oil leakage in the past and attempts at abstraction results in a rapid deterioration of quality.

The project has also been concerned with the potential of the airport run-off. Sampling of the run-off has demonstrated its potability but there remains the question of storage. To this end further boreholes were drilled. These have to be test-pumped to assess the possibility of injecting the run-off into the aquifers either within the rock or below the isthmus. It is hoped to complete the test pumping this financial year. Finally I would add that so far some £301,000 has been spent on this project.

SUPPLEMENTARY TO QUESTION NO. 219 OF 1986

HON J C PEREZ:

Mr Speaker, has the Hon Member got any idea from the consultants employed what it would cost to extract the water that is available, has any study on what the cost of extracting the water been made?

HON MAJOR F J DELLIPIANI:

The water in question when we talk about the lens effected, the fresh water stays up and the salt water sinks, is that at the moment with the methods that exist it is not possible to do it. Our next objective will be if the test boreholes in the isthmus area prove good enough to receive water from the run-off of the runway we would use that as storage. In any case in this exploration and exploitation there is an element of risk and we thought that it was a risk worth taking to see if there was potential. I think the question of the lens effect won't be a good objective.

HON J C PEREZ:

Is the Hon Member satisfied that it is worth continuing with this exploration having regard to the fact that they announced when the Waterport Distiller was completed that Gibraltar would become self sufficient in water with the Distiller?

HON MAJOR F J DELLIPIANI:

Gibraltar is already self sufficient with the Distiller but as the Hon Member will be aware distilled water does not have a particularly good taste and this is why we do a cocktail composed of water from our wells and rainwater. If we were entirely dependent just on distilled water there would be a boom in the sale of bottled water.

MR SPEAKER:

Next question.

NO. 220 OF 1986

ORAL

THE HON J C PEREZ

Mr Speaker, can Government state categorically whether there is any danger to tenants because of the existing state of disrepair of Police Barracks and if so, what they intend doing about it?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Sir, I cannot give a categorical answer until such time as the full survey report has been submitted. The physical survey has almost been completed and the full report and recommendations will follow. Every effort is being made to have this ready by mid-November.

In the meantime make-safe measures are being carried out. Two families have been temporarily accommodated elsewhere.

It is intended to carry out structural and other repairs as required, including work on the defects which have already come to light, such as the access walkways and balcony slabs.

Whilst the surveying proceeds, PWD will assess the number of dwellings that have to be vacated and which dwellings can be declared safe.

SUPPLEMENTARY TO QUESTION NO. 220 OF 1986

HON J C PEREZ:

Does the survey being conducted include the access corridors or has that nothing to do with the survey presently being conducted?

HON MAJOR F J DELLIPIANI:

The survey for the access corridor was already carried out and temporary propping up measures were made at least over a year ago. What has now come to light on the 3rd October was that there were cracks in the balcony areas and this is why the survey was being done but since we are there now we are doing an in depth survey of the whole building.

HON J C PEREZ:

Is the Hon Member saying that he considers the access corridors to be safe, that he can categorically state that they are safe?

HON MAJOR F J DELLIPIANI:

I can say that they are safe on a temporary basis because they are just propped up and the spillage of the concrete which was loose has been taken, I cannot say that at the present moment it will be safe for ever.

HON J C PEREZ:

Can the Hon and Learned the Chief Minister state whether that is his position as well since the tenants there claim that he told them otherwise? Is the Hon Member aware that the Hon and Learned the Chief Minister is said to have told the tenants there that on the grounds that the access corridors were unsafe they would all be moved out?

HON MAJOR F J DELLIPIANI:

I am not aware that the Chief Minister has said that.

HON J C PEREZ:

And is the Hon Member also aware that the Hon and Learned the Chief Minister is said to have committed himself to moving out some of the tenants there with large families to two units in the ex-Calpe Barracks which used to belong to the RAF which have, according to a press release, been given to the Government precisely because of the intervention of the Chief Minister.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I was not present when the Chief Minister met the tenants of the Police Barracks. What I can say is that I did have a meeting with him together with my engineers and I did say that it might be possible if there was alternative accommodation, to vacate some of the premises into temporary accommodation and work in the premises which have been vacated as a temporary measure. Certainly as far as I know, I am not aware that Gibraltar has the luxury of having nearly forty-odd quarters standing by in case there is an accident of this nature, if there was then we wouldn't have a housing problem. What I am aware is that the Chief Minister has tried very hard and I think he was successful in accelerating the handover of some MOD properties to alleviate the temporary decanting of some of the more dangerous quarters as the survey is produced to this alternative accommodation until repairs are carried out in depth.

HON CHIEF MINISTER:

Mr Speaker, the Minister having answered the questions which were

addressed to him, I do not want to shirk the responsibility of dealing with the matter myself and I would like to say that in a case of this nature where spirits and difficulties run high I can understand that there may have been a misunderstanding. I did do my best to get as many of the MOD dwellings which had been promised to become available, I did say that some of them were small and that large families might have to take two, I did say that the worst cases would be decanted first and I did my best for that, the record shows that that is the case. I think it has been somewhat exaggerated and I do not like to be called a liar when I am not a liar. I said what I had to say, the record is there and the record bears out that I could never have said that thirty-five people can be decanted just like that and I therefore like to make that statement quite clear. There may have been a misunderstanding, I am not attributing bad faith, and in the excitement and in the difficulty with which we all sympathise they could have misunderstood me but I couldn't give what I didn't have. I obtained the early release of twenty dwellings in order to have them available which are in a very good state, I am happy to say, they don't require any repairs, in order that immediately the survey is finished the worst cases can be moved.

HON J C PEREZ:

So we can take it that what the Hon and Learned the Chief Minister is saying that he didn't commit himself to reallocate all the tenants?

HON CHIEF MINISTER:

Absolutely.

HON J C PEREZ:

Can Government perhaps state when they intend moving out some of the tenants and perhaps when they intend to start repairs and what the nature of the repairs will be?

HON MAJOR F J DELLIPIANI:

Mr Speaker, first of all we will have to receive the detailed report where I am sure it will be highlighted which are the quarters in most danger and I suppose they will have immediate priority in the moving into not equivalent accommodation but accommodation as much as possible which will suit the family composition. The process of the actual repairs will be a lengthy one because there will be a whole lot of documents to be prepared, engineering designs will have to be made and the bills of quantity will have to be made and the whole package of repairs will have to be put out to tender. It will be a rather long and complex

exercise even before we begin to do the actual repairs. I cannot give dates but what I can say is that the department has taken this as one of its priorities.

HON J C PEREZ:

Having regard to the fact that only £14,000 have been voted for that specific Barracks for the repairs of the access balconies, can the Hon Member tell me whether (a) that is sufficient money for the works needed for the access balconies and (b) from where are they thinking of allotting funds for the other repairs?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I don't think because of the nature of the problem that the Government is going to talk about where the money is coming from or not, the money will become available because it is absolutely necessary to do the work. Certainly, from the reports that I am getting now, and they are only very preliminary reports, I would imagine to completely rehabilitate all the quarters in Police Barracks, and I am speaking as an ex-contractor and an off the cuff estimate which I don't want to be quoted as being the gospel truth, I would imagine it will be in excess of £300,000.

HON J C PEREZ:

Which was what the original study said. The Hon Member has just said and it has been mentioned in press releases that the Public Works is carrying out a survey which will identify what the works that need to be done are and yet about eighteen months ago the Hon Member confirmed that there was a report that suggested such a recommendation.

HON MAJOR F J DELLIPIANI:

Yes, because there were two ways to tackle it and one was to physically tie up the access corridors within the structure of the building itself and that would have entailed the vacating of the tenants. So we went to a short-term ten to twenty years solution for repairs. If we went for the major repairs I said £300,000 because I could remember that at least it was £300,000 so that the access corridors could be tied up with the complete structure so we are probably talking of £½m because I am sure that when the roof is looked at the roof will be found to be defective.

HON J C PEREZ:

We are probably talking of £½m if we do both things. If we do what the Hon Member said that the report recommended which was

to the tune of £300,000 and the works that are identified as a result of the Public Works Survey, is that so?

HON MAJOR F J DELLIPIANI:

No, Sir, because we have found another solution where we hope to have the access corridors made out of steel and then joined to the building so that will bring the cost down and then do the whole of the structural side of the concrete of the balconies, etc, including some suspect floors in the building and the roof which is also suspect.

HON J C PEREZ:

Didn't the department say it needed to vacate the tenants there because of the joining of the balconies to the building?

HON MAJOR F J DELLIPIANI:

I am not talking of balconies I am talking of the access corridors.

HON J C PEREZ:

The access corridors, right.

HON MAJOR F J DELLIPIANI:

The access corridors if it was done in another way would have required the decanting of everybody at the same time.

HON J C PEREZ:

As it is what the Hon Member is saying is that they only need to vacate some people at a given time?

HON MAJOR F J DELLIPIANI:

Yes, if some of the quarters are found to be safe. If all the quarters are found to be unsafe obviously we would have to vacate every quarter.

HON J L BALDACHINO:

Mr Speaker, in one of the supplementaries the Hon Member said that two of the tenants had already been decanted. Were they accommodated somewhere else because in the Government's opinion the dwellings where they were living were unsafe?

HON MAJOR F J DELLIPIANI:

Yes, Mr Speaker.

HON J L BALDACHINO:

Are there any other tenants at the present moment living in the Police Barracks whose dwellings are in a similar condition such as those who were decanted?

HON MAJOR F J DELLIPIANI:

I don't think so, Mr Speaker, because otherwise the initial report would have warned me about this. There are some of the, as far as I can recollect now from the initial reports that are coming in, some of them needed to be propped up but the tenants were not cooperating in the propping up of some of the areas but if the area in question is propped up I think that a measure of safety will be introduced. I think that the fact that we noticed immediately that two of the tenants were in immediate danger and they were evacuated shows that the other tenants are not so much in danger when the engineers have not come back saying: "You have got to move these people otherwise the whole thing will collapse today".

HON J L BALDACHINO:

Mr Speaker, if between now and the survey being complete so that the Government have a better overall picture on what condition the Police Barracks is, if any other family finds itself in the same situation as the two that were decanted they will be automatically reallocated somewhere else, is that correct?

HON MAJOR F J DELLIPIANI:

I think we are morally bound to safeguard the safety of life and we have at the moment, thanks to the intervention of the Chief Minister, if not the exact number of rooms that they had in the other place at least some place to live in if the case arose.

HON J C PEREZ:

Mr Speaker, is the Hon Member then not aware that the same type of fault that was found in the flat occupied by the Milanta family which was one of the families that was moved out has been found in the flat occupied by the Brancato family and that although the Milanta family and the tenant above the Milanta family were moved out the Department has not seen fit to move out the Brancato family notwithstanding that the same faults in the balconies have been identified and that they have been similarly propped up with wooden beams?

HON MAJOR F J DELLIPIANI:

The report that I got on the Brancato family was that with

propping up, I don't know if it has been carried out, which was refused by the tenant at the time, with propping up the flat was reasonably safe and not as dangerous as the Milanta one.

HON J BOSSANO:

Mr Speaker, who determines how unsafe is unsafe? He is talking about degrees, is it a matter for the people in the Public Works Department? Isn't there under the Public Health Ordinance an obligation on the Health Department when it comes to safety with private property and has the advice or the expert opinion of an Environment Officer been sought in this matter because if we were talking about private property the Environmental Health Department would have to say something about a building being unsafe and being occupied, surely?

HON MAJOR F J DELLIPIANI:

Mr Speaker, in fact, the Environmental Health Officer depends on the expertise of the Public Works Department engineers when they have to deal with matters of safety of this nature.

HON J BOSSANO:

Is the Hon Member then saying that, in fact, Environmental Health Officers who are qualified the same as they are in UK for the purposes of the Housing Acts and the implementation of the Public Health Ordinance are not themselves qualified to determine independently of what the Public Works might think whether a building is safe or not safe for human habitation?

HON MAJOR F J DELLIPIANI:

Public Health Inspectors are involved but they are not structural engineers.

HON J BOSSANO:

I know that they are not structural engineers but the Hon Member is saying that one place is unsafe and the other place is more unsafe than the first place and apparently there is some criteria as to how unsafe a place has to be, what is the percentage of risk before it is considered by the Government sufficiently serious to evacuate the tenants because of the danger to life, presumably. There is, in fact, as I understand it, a clear responsibility on Environmental Health Officers to intervene in such situations where the owner of the property is a private landlord and they don't do it when the owner of the property is the Crown but is, in fact, the Hon Member telling the House that the judgement on which the Government is basing its policy as to whether to protect tenants

in that area or not is the judgement of a structural engineer or has he obtained the expert advice of Environmental Health Officers on the matter?

HON MAJOR F J DELLIPIANI:

I have not obtained the expert advice on this occasion of the Environmental Health Officers. I have obtained their advice in the past in the year 1983, even before I was there, on Jumper's Building where we see even now a greater risk of the whole building collapsing than Police Barracks and there is still, I think, one family who refuses to leave because they want some special quarters.

HON J C PEREZ:

Is the Hon Member aware that the tenants themselves called in the Environmental Health Department and has he any information regarding what the Environmental Health Department saw and reported?

HON MAJOR F J DELLIPIANI:

I was not aware and I haven't received anything personally, if my Director of Public Works has I will ask him.

MR SPEAKER:

Next question.

NO. 221 OF 1986

ORAL

THE HON J C PEREZ

Mr Speaker, can Government state what it plans to do about the state of disrepair of the balconies at Stanley Buildings?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Yes, Sir, a preliminary structural report has been prepared and temporary measures will be taken in the case of three balconies which were surveyed in detail and found to be in a state of disrepair. These will be repaired by fixing approved steel brackets under the balcony slabs. This method was successfully used at Macfarlane House in 1982. A further survey will be carried out to examine the extent of repairs required to the rest of the balconies at this building, as soon as pressure of this type of work eases. At present surveys are being carried out at Castle Road Police Barracks, Jumpers Buildings, Scud Hill Police Barracks, Anderson House, Macfarlane House, MacMillan House and Willis's House. This is likely to be undertaken towards Easter 1987 since surveys have to be produced as well as the design, calculations and working drawings for the eventual execution of work.

SUPPLEMENTARY TO QUESTION NO. 221 OF 1986

HON J C PEREZ:

If I am not incorrect what the Hon Member is saying is that the survey is going to be carried out on the other balconies in Easter 1987 or the works of the three balconies mentioned previously?

HON MAJOR F J DELLIPIANI:

This is likely to be undertaken towards Easter 1987 since surveys have to be produced as well as the design, calculations and working drawings for the eventual execution of work, everything, for all the houses.

HON J C PEREZ:

Mr Speaker, there was a recent incident which highlighted the state of disrepair whereby the ceiling of one of the balconies fell on to the other balcony below and a survey was carried out. Can the Hon Member say on that specific balcony whether the survey carried out thought that the situation could continue as it is until, for example April, 1987?

HON MAJOR F J DELLIPIANI:

You are talking about Anderson House?

HON J C PEREZ:

No, I am talking about Stanley Buildings, the question is about the balconies at Stanley Buildings.

HON MAJOR F J DELLIPIANI:

No, that won't have to wait until 1987.

HON J C PEREZ:

When does the Hon Member expect to effect repairs on those balconies?

HON MAJOR F J DELLIPIANI:

As soon as the calculations are ready we will do them.

HON J C PEREZ:

Is the money expected to come out of the vote for Government Buildings or from the Housing Fund, I presume?

HON MAJOR F J DELLIPIANI:

It doesn't matter, Mr Speaker, if it has to be done we will find the money whether it is from the Maintenance of Government Buildings or from Housing, we will do it.

MR SPEAKER:

Next question.

3 11 86

NO. 222 OF 1986

ORAL

THE HON J C PEREZ

Mr Speaker, how much of the money provided in the Improvement and Development Fund for road resurfacing has been spent in the first six months of the financial year?

ANSWER

THE HON THE MINISTER FOR PUBLIC WORKS

Sir, expenditure to September, 1986, was £23,863.

SUPPLEMENTARY TO QUESTION NO. 222 OF 1986

HON J C PEREZ:

Could the Hon Member say out of the announced programme in Press Release No. 118/86 has that sum of money covered up to now?

HON MAJOR F J DELLIPIANI:

Yes, Sir. The following works have been carried out: Tuckey's Lane, Library Street, part of Cannon Lane, Irish Town from Tuckey's Lane to Cooperage Lane, King's Yard Lane.

HON J C PEREZ:

Does the Hon Member expect to complete the announced programme before the end of the financial year?

HON MAJOR F J DELLIPIANI:

Yes, Mr Speaker.

MR SPEAKER:

Next question.

THE HON J C PEREZ

Mr Speaker, will Government supply this House with a breakdown of the £618,000 voted at the budget for the Maintenance of Government Buildings?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Yes, Sir. The breakdown of the £618,000 voted for the Maintenance of Government Buildings under Head 21 Item 62 is as follows:-

(a) Minor Works	- PWD Depots	£ 36,000	
	- Security	£ 25,000	
Minor Departmental works under £10,000			
	Audit	£ 1,200	
	Judicial	3,900	
	Law Offices	1,500	
	Police	6,000	
	Prison	8,400	
	Tourism	9,000	
	Gib Museum	2,400	
	John Mac Hall	9,100	
		<u>£ 102,500</u>	= £ 102,500
(b) General Repairs and Maintenance to Offices and Buildings		<u>515,600</u>	= £ 515,600
			TOTAL £ 618,100
			=====

SUPPLEMENTARY TO QUESTION NO. 223 OF 1986

HON J C PEREZ:

Mr Speaker, if you will allow me, I would say that at least part of the £618,000 has been able to be allocated elsewhere. Could the Hon Member say out of the £500,000 that he has left whether there is a breakdown of the Government buildings that have actually been repaired and how much of it is left from here to the end of the financial year of the £500,000 of the general maintenance of Government buildings?

HON MAJOR F J DELLIPIANI:

Sir, the £515,600 are spent on repairs in response to requisitions for work requested by Government Departments which do not fall within the programme of minor works and are normally of a day-to-day nature.

Also included are works of small duration, that is, say three to ten days, arising out of priorities and works of an emergency nature. For example, repairs to leaky roofs and renewals, fixing of tarpaulins and emergency measures, electrical installations and repairs, making safe dangerous structures, for example, recently the demolition and the construction of a dangerous wall at the Secretariat, propping up the out-building of the Technical College, etc and scheduled repairs to masonry, for example, hacking off the plastering to areas affected by cracks, dampness, etc and scheduled repairs to plumbing, for example, replacing the defective services, gutters and drainpipes etc, painting of Government buildings and offices not included in the annual estimates and scheduled refurbishment of Government offices, for example, the ex-Chief Minister's Office in Secretariat and the Attorney-General's extension at Secretary's Lane, work in connection with the Police, Public Health and Fire Brigade Reports for example, the removal of canopy at Police Post Waterport and numerous Public Health reports including dangerous structures and unsatisfactory conditions, etc. Blocking up of all empty public buildings against vandalism, intrusion and squatting, for example, St Jago's, Civil Prison Gatehouse and scheduled repairs to joinery eg windows, doors and frames and replacement of window panes, regular painting of House of Assembly Lobby and City Hall for ceremonial occasions, assisting Government departments transferring furniture from old to new offices, re-siting safes. The projected number of jobs based on last year is around 2,000. This is broken up into 1,150 jobs at approximately £65, that is, two men by one day, that accounts for around £74,000; 400 jobs of approximately £300, three men at three days plus materials £120,000; 300 jobs approximately £400, four men at three days plus materials £120,000; 100 jobs at approximately £1,000 each six men at five days plus materials £100,000; 50 jobs at approximately £2,000 each six men by ten days and materials £100,000. That comes to approximately £514,750.

HON J C PEREZ:

Could the Hon Member say how many of those jobs were programmed to take place at the beginning of the financial year?

HON MAJOR F J DELLIPIANI:

These jobs are not programmed. I said from the very beginning that this is the kind of work we start doing from day one because no one has allowed for them.

HON J C PEREZ:

What the Hon Member is now saying is contrary to what the Hon Mr Featherstone told me two Budgets ago when he said that a lot of that money was allocated to different departments and a breakdown could be given but not all that money because there needed to be some flexibility. What the Hon Member is now telling me is that there needs to be flexibility in the majority of the vote because the department doesn't actually know what it is going to spend the money on when you come here at budget time and you ask us to approve the sum of money. Is that what the Hon Member is saying now?

HON MAJOR F J DELLIPIANI:

That is what this Hon Member is saying.

HON J C PEREZ:

Can the Hon Member tell me how the department evaluates what they are going to need over the year? If they have no forecast on the maintenance of Government buildings on what repair works are going to be effected, how do they come up with a figure of, for example, £618,000 which gives you the impression that it is calculated at least to the last pound because of the £18,000. One would have said £600,000 or £650,000 but £618,000 gives you the impression that some work has been done in calculating how much the department is going to spend over the year. The Hon Member tells me that £500,000 of that sum is spent on a day-to-day basis as from day one.

HON MAJOR F J DELLIPIANI:

I have said from the beginning, Mr Speaker, that this calculation is based on the average number of small jobs per year so we know what the average number is and the type of jobs that we get during the year and we project the cost for the following year.

MR SPEAKER:

Next question.

3 11 86

NO. 224 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government confirm that they have finally taken the decision to construct 45 flats to rent at Engineer House site?

ANSWER

THE HON THE MINISTER FOR PUBLIC WORKS

Sir, Government has given the go-ahead for the construction of 45 flats at Engineer House (15 in number 4RKB and 30 in number 3RKB) and approval has been given in the first instance for site investigations to be carried out by specialist contractors.

SUPPLEMENTARY TO QUESTION NO. 224 OF 1986

HON J L BALDACHINO:

Will the development of Engineer House site take place in this financial year?

HON MAJOR F J DELLIPIANI:

Sir, it is hoped to start the works in this financial year.

MR SPEAKER:

Next question.

HON MAJOR F J DELLIPIANI:

Mr Speaker, with reference to Question No. 224 from the Hon J L Baldachino, with the supplementary questions and answers, after I went home that evening I realised that I might have misled the House in one of my replies with regard to when the Engineer House project would commence and I think the impression I must have given was that the project itself, the actual building of the flats, would start this financial year when what I really meant was that the site investigations will commence this year and I would not like the House to get the impression that I have said that the flats would be commenced this year. Thank you, Mr Speaker.

THE HON J L BALDACHINO

Can Government state when they intend to invite tenders for the construction of the extra flats at Laguna Estate?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Sir, an in-depth study into the scheme has now been carried out and it has revealed certain difficulties which would require modifications to the project and increase the overall estimated cost substantially. The modifications required are largely due to the inclusion of fire escape facilities to meet the requirements of Fire Regulations as required by the Ordinance. Government has therefore decided to abandon this project and concentrate its efforts on the Engineer House scheme.

SUPPLEMENTARY TO QUESTION NO. 225 OF 1986

HON J BOSSANO:

Mr Speaker, can the Hon Member explain why there hasn't been a statement from the Government when this was announced as the major way of tackling the housing problem in the budget? Didn't they know in the budget what the Fire Regulations said?

HON MAJOR F J DELLIPIANI:

No, Sir, otherwise we wouldn't have made that statement. The thing came about when the actual working drawings were presented to the Fire Service and they raised objections.

HON J BOSSANO:

But surely, Mr Speaker, before the Government comes to the House to vote money for a particular project, shouldn't they do their homework thoroughly to know that when they come here and they convince the House to provide the finance on the grounds that this is a good way of providing public housing because I remember the Hon Mr Canepa particularly drawing attention to the unit costs being relatively low and that it made sense to spend money like this. How can the Government explain that they tell us in July that the tenders are going in October so even in July they didn't know they couldn't do it?

HON MAJOR F J DELLIPIANI:

Mr Speaker, the Hon Leader of the Opposition is quite right. Whilst all private projects are circulated to all the departments concerned, unfortunately in this instance the Public Works Department neglected to do so and this is what I am saying, this caused quite a rumpus between myself and other Ministers. We have introduced measures where the Public Works Department projects will be treated the same way as ordinary building applications for other projects and they will have to go through all the departmental clearance in order that this doesn't happen again.

I admit that it was the fault of the Public Works Department and if I am the Minister I admit the fault for misleading my Hon colleagues and Members of the House through my other Hon colleague.

HON J L BALDACHINO:

Mr Speaker, on a point of clarification. Do the Fire Regulations come into play because of the additional storey or does it mean that every new building that will be constructed will require this fire escape?

HON MAJOR F J DELLIPIANI:

No, this is because of the additional storey that was going to be built. The fire risks are greater, the standards of fire prevention have gone up and the Fire Service, quite rightly, demands very high standards and they will not admit an extra block without an extension of a corridor connecting to different stairways, etc. This only applies, in fact, to the Laguna Estate scheme which we thought originally was a good idea because it is much cheaper to build on existing foundations but, unfortunately, as I say, I boobed.

MR SPEAKER:

Next question.

THE HON J C PEREZ

Mr Speaker, can Government confirm that a report in their possession prior to 1979 recommends that the best way to make the lower water catchment areas safe is to clear a large area from the top of the catchments so as to have a broad platform onto which rocks would land and remain?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Yes, Sir. It is proposed to implement the recommendations of the above report and £540,000 was earmarked under Head 106, Item 4, for the first phase.

SUPPLEMENTARY TO QUESTION NO. 226 OF 1986

HON J C PEREZ:

Mr Speaker, can the Hon Member state perhaps whether the implementation of this recommendation had nothing to do whatsoever with the setting up of the Gibraltar Quarry Company?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I wasn't around in the Public Works Department at that time, I have no idea. What I do know is that the recommendation is that in order to safeguard the area it would be a good idea to build a catch bench.

HON J.C PEREZ:

What I am asking the Government is whether the setting up of the Gibraltar Quarry Company was not in part to carry out this recommendation thus by quarrying there would be a broad platform being made onto which rocks would land and remain?

HON MAJOR F J DELLIPIANI:

I think, Mr Speaker, it would be logical to assume that when the Gibraltar Quarry Company was set up it was with the idea of reclaiming sand which was at the top and is at the top of the water catchments in such a manner as to produce a catch bench and at the same time give Gibraltar a measure of self sufficiency in sand.

HON J C PEREZ:

Can the Hon Member explain what the other method which is going to be used or is presently being used to create this catch bench is?

HON MAJOR F J DELLIPIANI:

The method of the catch bench will be the same, we have to create catch benches, there is no other way, it is a question of digging up the area underneath the cliffside to a certain depth in order that when

there are rockfalls they are caught in this bench. The only thing is that this must be done in a controlled manner.

HON J C PEREZ:

So if the area in question is composed in its majority of sand, then it would be tantamount to quarrying sand and forming the platform? It would be actually the same as what the Quarry Company is doing today except that instead of selling the sand we would be disposing of it, presumably.

HON MAJOR F J DELLIPIANI:

Not quite, Sir. The problem that has arisen is that because of the pressure on the Gibraltar Sand Quarry to sell sand when sand was not available from the catchment area above either because of mechanical reasons, because the conveyor belt wasn't working, a certain amount of quarrying was done in the lower area of the water catchment which has undermined the stability of the whole of the lower catchment area. The way it is proposed to be done is that there is no pressure in having to sell sand.

MR SPEAKER:

But we are not going to get involved in the sale of sand.

HON J C PEREZ:

Mr Speaker, there is another question under my name on the subject. We can take it that what the Hon Member is saying is that other than digging from below which is what he has said has caused this problem and everything else, the quarrying from the top which is being carried out by the Gibraltar Quarry Company is the method that needs to be used to create this broad platform in the upper catchments or this safety net or whatever the Hon Member wishes to call it?

HON MAJOR F J DELLIPIANI:

Yes, Mr Speaker.

HON J BOSSANO:

Is that completed or is there going to be a sum of money allocated to doing this by Government?

HON MAJOR F J DELLIPIANI:

Mr Speaker, before any more work is carried out at the catchment area the priorities has now become to stabilise the bottom area of the Quarry Company and that will come under the same Head 106, Subhead 4. Before we can do any more operations at the top we have to stabilise the area below.

HON J BOSSANO:

And that will be something that the Government will be undertaking, it won't be the responsibility of the Quarry Company, that is my question?

HON MAJOR F J DELLIPIANI:

Before proceeding to continue to create the catch bench at the top of the catchments work has to be put in hand to put right the instabilities created by the Gibraltar Quarry Company operation at the bottom of the sand slopes also under Head 106, Subhead 4.

MR SPEAKER:

But that work will be done by the Public Works Department, that is what you are being asked.

HON MAJOR F J DELLIPIANI:

That will be done by contract, Sir.

HON J BOSSANO:

Mr Speaker, are we talking about the Government coming here and saying 'We are voting so much money for this purpose' or is it something that the Quarry Company has to put right whether they do it themselves or they get somebody else to do it?

HON MAJOR F J DELLIPIANI:

The Quarry Company is in no financial position to do it.

MR SPEAKER:

Next question.

THE HON MISS M I MONTEGRIFFO

Mr Speaker, has Government now considered the views of the Consultant that there is a requirement for a Dietician?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, as I stated in answer to Question No. 168 of 1986, the matter has been under consideration. It has been decided to refer this to the Review Team looking into the Medical Services for a definitive view.

SUPPLEMENTARY TO QUESTION NO. 227 OF 1986

HON MISS M I MONTEGRIFFO:

Mr Speaker, can the Minister confirm whether the Consultant has made a case for the post to be filled?

HON M K FEATHERSTONE:

A case has been made but it has been passed to the Establishment who feel that the final decision should be made by the Review Team.

HON MISS M I MONTEGRIFFO:

So the Minister is saying, Mr Speaker, that he is not committed to introducing the post?

HON M K FEATHERSTONE:

Would you repeat that please?

HON MISS M I MONTEGRIFFO:

Is the Minister saying that he is not committed to filling the post until the Review has finalised?

HON M K FEATHERSTONE:

Yes, that is so.

MR SPEAKER:

Next question.

3.11.86

NO. 228 OF 1986

ORAL

THE HON MISS M I MONTEGRIFFO

Mr Speaker, on what basis has the Government come to the conclusion that a further three years are required for Gibraltar Nursing Qualifications to meet UK and Community standards?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

This was based on advice previously given to the Government. The matter is now being considered as part of the Nursing Review.

SUPPLEMENTARY TO QUESTION NO. 228 OF 1986

HON MISS M I MONTEGRIFFO:

But, Mr Speaker, hasn't the Minister said in the House that it was a question of just implementing some changes?

HON M K FEATHERSTONE:

Yes, but we had the Briggs Report which said that it would be a matter of three years. The now new Nursing Review may speed that up.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the Briggs Report goes back to 1979, does this mean actually that the Government will have to wait for something like eleven years to finalise the matter?

HON M K FEATHERSTONE:

It depends whether we get somebody seconded from the United Kingdom to take over the instruction of our nursing services.

HON J BOSSANO:

May I ask the Minister, is he in fact implying that the only qualifications that will be recognised will be those where the inception of the tuition is started after the changes? What happens to people who are in the middle, people who are in their final year? Is he saying their qualifications will not be recognised because it will only be the people who start and then do three years?

HON M K FEATHERSTONE:

That is the information that has come to me, yes.

HON J BOSSANO:

Surely then, Mr Speaker, if that is the position as it was in 1978 and 1979 and those recommendations have been with the Government since then, how does the Government intend to make up for it to all those people who qualified in the intervening period if they are going to be left out of the net?

HON M K FEATHERSTONE:

Normally they would have gone to the UK to do a three-month course which then entitled them to become an SRN. Whether the new tutorial system will allow that to be incorporated in Gibraltar is something we will have to see, I hope it will.

MR SPEAKER:

Next question.

THE HON MISS M I MONTEGRIFFO

When did Government decide that a review of the Medical Services was required?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, in March, this year. The Government decided to undertake a review of the Medical Services in June this year. The consultants were formally approached and appointed in September.

SUPPLEMENTARY TO QUESTION NO. 228 OF 1986

HON MISS M I MONTEGRIFFO:

Mr Speaker, doesn't this Review contradict everything that the Minister has been telling me in the House in defence of the healthy state of the Medical Services? In March, for example, Mr Speaker, the Minister was saying that the services were exemplary.

HON M K FEATHERSTONE:

The services are good but there are certain facets which the new look brought in by the coming into the service of Dr Bacarese-Hamilton militated that some of the things should be looked at.

HON MISS M I MONTEGRIFFO:

Mr Speaker, how come that in March the Minister was defending the Medical Services and no indication was given to us that this major review was being commissioned? In fact, in July, Mr Speaker, the Minister gave us no indication at all.

HON M K FEATHERSTONE:

The idea was suggested by Dr Bacarese-Hamilton in March, Government did not consider it until June.

HON MISS M I MONTEGRIFFO:

Has the Minister then changed his mind, Mr Speaker, that the Health Services are not in such a healthy state as he has been maintaining all the time?

HON M K FEATHERSTONE:

No, Sir, the Health Services are in a healthy state but even if something is good it can always be improved and it is suggested that this review will improve the situation especially in certain fields.

HON MISS M I MONTEGRIFFO:

Mr Speaker, will the Minister be making the report of the experts public?

HON M K FEATHERSTONE:

Yes, Sir.

MR SPEAKER:

Next question.

3 11 86

NO. 230 OF 1986

ORAL

THE HON MISS M I MONTEGRIFFO

Has Government now completed its consideration as to the introduction of a Prescriptions Only Medicines List?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, the Medical Department has been asked to prepare a Prescriptions Only Medicines List by the end of this month. The Government proposes to introduce the list shortly thereafter.

3 11 86

NO. 231 OF 1986

ORAL

THE HON R MOR

Mr Speaker, have Government amended the regulations to allow rent relief for private tenants in furnished accommodation?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

No, Sir. However, as I explained in answer to Question No. 165 of 1986, it is proposed to amend the Landlord and Tenant (Rent Relief) (Terms and Conditions) Regulations to include Rent Relief for persons in furnished accommodation. This will be done on the basis that Rent Relief will be assessed as if the premises had been let unfurnished.

SUPPLEMENTARY TO QUESTION NO. 231 OF 1986

HON R MOR:

Would the Hon Member give an indication of how long this is going to take?

HON M K FEATHERSTONE:

I hope to have them in operation by the beginning of next year.

MR SPEAKER:

Next question.

3 11 86

NO. 232 OF 1986

ORAL

THE HON J L BALDACHINO

Mr Speaker, can the Minister for Health and Housing state whether they are still applying the provisions of Clause 1G of the terms of reference of the Housing Allocation Committee?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

No, Sir. Clause 1G is no longer being applied.

SUPPLEMENTARY TO QUESTION NO. 232 OF 1986

HON J L BALDACHINO:

Under what authority has the Government removed this Clause, Mr Speaker?

HON M K FEATHERSTONE:

Sir, Clause 1G has been technically out of operation since 1980.

HON J L BALDACHINO:

Mr Speaker, I have asked a similar question in this House and it is no way as far back as 1980 and the Hon Member told me that it was then in operation.

HON M K FEATHERSTONE:

Sir, applicants to whom the provision of Clause 1G had already been approved are having their positions safeguarded. The exceptional cases are referred to the Housing Advisory Committee for advice under Clause 2B which refers to cases meriting special consideration mainly on medical and social grounds but in normal cases Clause 1G is not operating.

HON J L BALDACHINO:

I understand that, Mr Speaker. May I ask the Hon Member under what authority has the Government removed Clause 1G from the terms of reference of the Housing Allocation Committee?

HON M K FEATHERSTONE:

The only information that comes to me is that it was out of operation since 1980 which was before my time.

HON J L BALDACHINO:

I don't want to go into that, Mr Speaker.

MR SPEAKER:

What the Minister is saying is that he doesn't know because the thing had not been put into operation since 1980.

HON J L BALDACHINO:

But, Mr Speaker, I asked a similar question in this House after 1980 because I have been here only since 1984 and the Hon Member said that Clause 1G was still in operation but was being reviewed by the Housing Allocation Committee and this arose because I had written prior to that to the Hon Member for the terms of reference of the Housing Allocation Committee and Clause 1G wasn't there and when I pointed out to him in that question that it wasn't there he said they had made a mistake and it was still in operation. What I am asking the Hon Member is how can it be taken off in 1980 when in 1984 it was still in operation? If that is the case, under what authority has the Hon Member taken it off?

HON M K FEATHERSTONE:

I haven't taken it off but I will find out for the Hon Member under what authority it was taken off.

HON J L BALDACHINO:

If I remember correctly, Mr Speaker, the Housing (Special Powers) Ordinance and the Hon Member can look at that, under Clause 13(1) of the Housing (Special Powers) Ordinance I think it is by a resolution of this House because I remember in 1979 reading through Hansard when the Hon Mr Zammit was Minister for Housing he brought this to the House and it was passed in this House. If it was taken out surely he has to bring it to the House before it can be taken off?

HON H J ZAMMITT:

No, Mr Speaker, with the greatest respect, the Housing Scheme doesn't have to come to the House. What was brought to the House was a Special Powers Ordinance. The actual function of the scheme was a matter for the Housing Allocation Committee and the Housing Advisory Committee to get together. I think my Hon Colleague is slightly under a misapprehension, Clause 1G was certainly in existence when I left Housing, which I can never forget, in 1982 after quite a number of years, it was certainly in existence in 1982 but I did not know it was not functioning.

HON J BOSSANO:

You didn't take it with you?

HON H J ZAMMITT:

No, I didn't take it with me, no, I can assure the Hon Member, I took nothing away from Housing.

HON J L BALDACHINO:

May I ask then the Hon Member if he can check if it can be taken off without the authority of the House.

HON M K FEATHERSTONE:

Yes, I will do that.

MR SPEAKER:

Next question.

3 11 86

NO. 233 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state on what does the Housing Advisory Committee base its decision when making recommendations on social cases?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, the Housing Advisory Committee base their decision on the information provided by the applicant, the department and on the Family Care Unit's reports and recommendations.

SUPPLEMENTARY TO QUESTION NO. 233 OF 1986

HON J L BALDACHINO:

Is the Hon Member saying that on all cases referred to the Advisory Committee to be considered as social cases the Family Care Unit intervenes?

HON M K FEATHERSTONE:

They are always asked to report, yes.

HON J L BALDACHINO:

Because I know of cases which after being referred three times to the Housing Advisory Committee, because I have a letter from the Housing Department which states that, that on the third occasion the letter stated that it was going to be referred to the Housing Advisory Committee for it to make a recommendation so that it could be referred to the Family Care Unit.

HON M K FEATHERSTONE:

All I can say is that the information that comes to me is that all social cases are referred to the Family Care Unit.

THE HON J L BALDACHINO

Can Government state -

- (a) How many applications they have received after March, 1986, from people claiming to be social cases?
- (b) How many of these have had a yes recommendation?
- (c) How many of the 64 awaiting accommodation since March, 1986, have been accommodated?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

- (a) 14 applications have been received since March, 1986, from persons claiming to be social cases.
- (b) To date, five applicants have been recommended. Reports on the remaining nine cases are awaited from the Family Care Unit who normally investigate and report.
- (c) 21 applicants have been accommodated since March, 1986.

3 11 86

NO. 235 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state how many of its dwellings have been deleted from Government's rent roll in 1985/86 as a result of no longer being repairable at a reasonable cost?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, one dwelling has been deleted from the rent roll in 1985/86.

3 11 86

NO. 236 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state if they are satisfied with the conditions of the cubicles situated at 62, Town Range?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

No, Sir. Government is not satisfied with the conditions of these cubicles and will endeavour to improve them as was the case with the cubicles at 70, Prince Edwards Road.

SUPPLEMENTARY TO QUESTION NO. 236 OF 1986

HON J L BALDACHINO:

Is the Hon Member aware that some of the conditions, as far as I can gather, do not meet the Fire Service Regulations?

HON M K FEATHERSTONE:

I would think that is so, Sir.

HON J L BALDACHINO:

Will the Government be doing anything to remedy that?

HON M K FEATHERSTONE:

As I said, Government is going to do its best to improve the conditions of these cubicles and Fire Regulations will be taken into account.

HON J L BALDACHINO:

Is the Hon Member saying that the Government does not know when they are going to start to carry out the repairs that are needed?

HON M K FEATHERSTONE:

The matter has been passed to Public Works with a sense of urgency.

MR SPEAKER:

Next question.

3 11 86

NO. 237 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state how many dwellings of its present housing stock would be declared unfit for human habitation by a court of summary jurisdiction in the Chief Environmental Health Officer's opinion?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

Sir; it is estimated that between 60/65 dwellings could be declared unfit for human habitation.

SUPPLEMENTARY TO QUESTION NO. 237 OF 1986

HON J L BALDACHINO:

And these 60 or 65 dwellings do not represent any danger at the present moment to the tenants, does it?

HON M K FEATHERSTONE:

No, they don't present any specific danger apart from the inherent dangers of excess dampness and similar situations to that.

MR SPEAKER:

Next question.

3 11 86

NO. 238 OF 1986

ORAL

THE HON J L BALDACHINO

Mr Speaker, can Government state if they have now decided what measures they need to introduce to monitor the reserve fund that landlords are required to set up under the Landlord and Tenant Ordinance?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, the principal measure to be introduced will be the requirement for Landlords to submit Annual Audited Returns showing details of revenue, expenditure and the cash balance in respect of each building.

SUPPLEMENTARY TO QUESTION NO. 238 OF 1986

HON J L BALDACHINO:

When is this measure going to be introduced?

HON M K FEATHERSTONE:

It is proposed to introduce the monitoring regulations early in 1987.

MR SPEAKER:

Next question.

NO. 239 OF 1986

ORAL

THE HON J C PEREZ

Is it Government's intention to close down the Gibraltar Quarry Company?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Yes, Sir.

SUPPLEMENTARY TO QUESTION NO. 239 OF 1986

HON J C PEREZ:

Can the Hon Member perhaps detail the reasons why?

HON M K FEATHERSTONE:

Sir, after a number of investigations by the Safety Officer, the Department of Environmental Health and the Public Works Department, there are a number of features which have been effected by the Gibraltar Quarry Company which in their opinion makes the operation unsafe. To make the operation safe would be beyond the finances of the Gibraltar Quarry Company and so the only answer that we can see is to close the company down.

HON J C PEREZ:

But would there be any danger to passers by even if the Gibraltar Quarry Company were to be shut? Is there an imminent danger of, for example, the collapse of a wall that would affect vehicles passing by or people passing by?

HON M K FEATHERSTONE:

I don't think so, Sir, but there is, as the Hon Minister for Public Works said, a scheme to make the area safe where there has been undermining by the Quarry Company of the sand slopes.

HON J C PEREZ:

And the Government has committed itself to effect whatever works need to be done to put the area safe?

HON M K FEATHERSTONE:

Yes, Sir.

HON J C PEREZ:

Mr Speaker, can the Hon Member say what he intends to do about the employees of the Gibraltar Quarry Company, if anything?

HON M K FEATHERSTONE:

It is hoped that they will be offered alternative employment in the Public Works Department.

HON J C PEREZ:

Mr Speaker, is it envisaged that all the employees will take up alternative employment with the Public Works Department or will they be given preference to others applying from outside or what does the Government envisage will happen, how will this come about?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I have been charged by the Government to look after the welfare of the employees of the Gibraltar Sand Quarry Company. It is the subject of a Council of Ministers Paper. In the meantime to continue employment in the area, the Government has sub-contracted some remedial work to the Company in order that they can carry on working whilst the Council of Ministers Paper is prepared to offer alternative employment preferably within the Public Works Department because some of the staff are highly qualified to be able to work, for example, in the Highway Section for the servicing programme. I think I can only visualise one problem with the staff and that is there is a part-time clerical/typist assistant and she would have to have qualifications either in typing skills or the qualifications needed which I think is two 'O' levels including English, to apply as a clerical assistant but she is a part-timer. With regard to the manager, he is under contract of three months notice on either side. The industrials do not present a problem except possibly one of them who is a foreman but who was a foreman/labourer and I cannot see him being accepted by other employees of the Public Works Department as a foreman. But certainly employment as much as possible to the equivalent that they now have will be offered and this will form part of the Council of Ministers Paper.

HON J C PEREZ:

Could the Hon Member say for how long the Government has been considering the closure of the Quarry Company?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I think it must be four or five months now. The reason why the Quarry Company was not closed immediately was that there were some remedial works that we hope that the Company can carry out for us so that the men could have employment as they have at present which is of a higher rate because of the overtime they work than in the Public Works Department and also the question of the safety of the men was involved because of the machinery that was used in the area which caused vibrations and endangered the stability of the operations in that area. What we have done is stopped the machinery working in that area in order to make it slightly safer for them and safer for the public.

HON J C PEREZ:

Will Government consider making available even if only to the Opposition if not able to do it public, the reports that they might have on the

question of safety which seem to justify their decision to close the Quarry Company?

HON MAJOR F J DELLIPIANI:

Mr Speaker, there are, in fact, three reports which point to the danger.....

MR SPEAKER:

The question you are being asked is are you prepared to release them?

HON MAJOR F J DELLIPIANI:

Yes, there are three reports and I am quite prepared to do so.

HON J C PEREZ:

Mr Speaker, were any if not all of these reports available to the Government prior to their bringing to this House the subvention in the last budget? Was the Government actually considering at the time of the subvention the closure of the Quarry Company?

HON M K FEATHERSTONE:

No, Sir.

HON J BOSSANO:

The Government, Mr Speaker, at the beginning of this financial year had no idea that they would be closing the company during the year when they came here for £200,000?

HON M K FEATHERSTONE:

No, Sir, they considered that the company should be given two years to make itself viable.

HON J BOSSANO:

Mr Speaker, has the cost of carrying on with the company been offset against the cost of work that will need to be done anyway if the company is closed? How much extra are we talking about if the company is not closed?

HON M K FEATHERSTONE:

Something like a figure of £150,000, I would say.

HON MAJOR F J DELLIPIANI:

Mr Speaker, may I answer one of the questions from the Hon Leader of the Opposition. The latest estimate that we have to build a wall below where the company is quarrying at the moment will cost in excess of £300,000 just to make that safe.

HON J BOSSANO:

Yes, but, Mr Speaker, what I am saying is we have been given a figure

of £150,000, I think it is a major decision to decide to close the Gibraltar Quarry Company with all the controversy that there has been in the past and I don't think it is something we should just have announced in Question Time without an opportunity being given for the House to decide whether it should close or it shouldn't. If there is money that needs to be spent anyway, Quarry Company or no Quarry Company, then we ought to be looking at the additional costs of keeping the Quarry Company because if the Government has got to spend £300,000 to make the place safe even if they close the Quarry Company, then the cost of keeping the company is not £30,000.

HON M K FEATHERSTONE:

On top of that you would need to spend about another £150,000.

HON J BOSSANO:

On top of that so the real cost of continuing with the company is £150,000 because the £300,000 is to be spent anyway whether we close the company or whether we keep it going. In looking at whether it is worth investing that £150,000, has Government been advised that they are not going to get a return on that money if the company were to expand activities as we have urged before from this side of the House when we have said the company has been inhibited from becoming viable by not being allowed to do things like sell cement, for example? Has that been taken into account, the possibility that having put so much money in already the £150,000 might make a difference between increasing viability or not?

HON MAJOR F J DELLIPIANI:

Mr Speaker, since I became Vice-Chairman of the Quarry Company, this was in May of this year, one of my tasks was to see whether I could come up with some project or other to save the Gibraltar Sand Quarry Company. I have tried very, very hard indeed to do that but having read carefully the three reports on the stability of the area where the quarrying is done and where the men are based, I cannot in conscience go home and sleep comfortably knowing that those men are exposed to a danger by the very nature of the work that they are carrying out. This is why the quarrying and selling of sand has stopped.

MR SPEAKER:

If you need any information you are free to ask but we are not going to debate.

HON J C PEREZ:

Mr Speaker, we are not debating it.

MR SPEAKER:

Yes, we are, indeed, with respect. We are debating.

HON J C PEREZ:

Mr Speaker, I think I need to refer to what has been said in the other question to extract information following from what has been said

because we were asking supplementaries in Question No. 226 without regard to the actual decision that has been announced in Question No. 239 which is to close the Quarry Company. If the type of work that needs to be done to create the platform envisaged in the report that the Government had prior to 1979 is similar to that being carried out by the Quarry Company today with the only change being that they will not be selling sand, would that not be unsafe?

MR SPEAKER:

No, you have been told it wouldn't, as a matter of fact, you would have to spend £150,000 more and it would still be unsafe.

HON J BOSSANO:

Mr Speaker, I don't think we can let it go just like that. We have been told that it is unsafe to excavate sand from the bottom. The Quarry Company was set up to excavate sand from the top and we have been told that sand will have to be excavated from the top anyway in order to create a platform. What is to stop the Quarry Company being kept in existence to do what it was originally intended to do, ie excavate sand from the top?

MR SPEAKER:

Let us leave it at that. Can we have an answer to that?

HON MAJOR F J DELLIPIANI:

Yes, Sir, because as I said in answer to Question No. 226 before the catch bench operations are carried out the safety of the lower part must be ensured which at the latest estimate that I have will cost £300,000, it will take a considerable time to do so therefore the men cannot be employed because physically they cannot be in the area.

MR SPEAKER:

Next question.

NO. 240 OF 1986

ORAL

THE HON M A FEETHAM

Has Government authorised the extension of the bus belonging to Portillo SA to terminate its route in Gibraltar instead of La Linea?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, there is no need for Government go authorise any such service. This is governed by EC Regulation 56/83 which implements the Agreement on the international carriage of passengers by road by means of occasional coach and bus services (ASOR). In the same way, no prior Spanish authority is required for local coaches undertaking such occasional (ASOR) services to Spain.

SUPPLEMENTARY TO QUESTION NO. 240 OF 1986

HON M A FEETHAM:

Mr Speaker, I am quite aware of the ASOR agreement and the EEC Regulation to that effect. Would the Minister define whether the operation is a regular or a special regular service between Spain and Gibraltar in that case since he is accepting it?

HON M K FEATHERSTONE:

The definition given to the advent of the Portillo bus is that it is an occasional coach.

HON M A FEETHAM:

Sir, with respect, that is the Spanish version of how they classify their transport.

HON M K FEATHERSTONE:

That has been the category in which the Gibraltar authorities have put this coach as well.

HON M A FEETHAM:

Mr Speaker, the Portillo bus is a regular bus service between specific points on a bus route in Spain and that bus now terminates in Gibraltar. In order to terminate in Gibraltar on a regular bus service route there should be, in my opinion, a reciprocity in the other direction which doesn't exist. If we hadn't come to a

bilateral agreement between Britain and Spain on our behalf to operate such a service then the Portillo bus should stop in La Linea. If you look at EEC Regulation 517/72 where it defines rules for coach services, particularly if we accept as I am supposing that we will accept, that it is a regular bus service, it says: "Decisions on applications to introduce a regular service or a special regular service to vary the conditions subject to which a service is operated or to renew an authorisation shall be taken by agreement between the Member States in those territories where passengers are to be taken up or set down". I am suggesting, Mr Speaker, that in fact it is a regular bus route service which should terminate in La Linea and by coming into Gibraltar it is infringing on local transport requirements which are already available.

HON M K FEATHERSTONE:

Sir, the information that I have is that the question was raised by the Gibraltar Taxi Association with our transport officials who investigated the matter and verified that Portillo were duly licenced to operate occasional services and that the relevant ASOR documentation was also in order.

HON M A FEETHAM:

That is correct, that is why, Mr Speaker, the matter is the subject of discussion in this House because it isn't just a matter that affects a particular sector of the local transport, it is a matter which affects all transport in Gibraltar. That bus should stop in La Linea as it should do because it is a La Linea bus route service termination point, people would be taking transport from the frontier to Gibraltar on their own choice that is why bus route No.9 terminates at the frontier and doesn't terminate in La Linea and doesn't terminate in San Roque and doesn't terminate in Estepona the same way as this bus is coming down in this direction. Not only that but as a matter of information, is the Minister aware that when representations were made to Portillo on this matter the managing director or the director general or whatever his position is, said that he does whatever he feels he should do and as far as Gibraltar is concerned he cares two hoots and that is why this matter has been brought to this House as part of the build-up of the climax which surrounds this particular issue.

HON M K FEATHERSTONE:

I can only say that the position continues to be monitored to ensure compliance with EEC Regulations. If at the moment it is still considered as an occasional service they must be complying.

HON M A FEETHAM:

Mr Speaker, Sir, since obviously there are different points of view I don't wish to persist in supplementary questioning as we are not going to come to an agreement. This side of the House maintains that the Portillo bus should stop at La Linea and I think he should investigate this arrangement.

HON M K FEATHERSTONE:

I will ask our officials to look into the matter again.

HON J BOSSANO:

Mr Speaker, I think as a matter of political responsibility independent of what officials may or may not say on the subject, is the Government in favour of Spanish buses being allowed to terminate their routes here and take passengers all along the way and then drop them in Gibraltar, or not?

HON M K FEATHERSTONE:

It isn't a question of whether the Government is in favour or not, it is a question of whether they are within the ASOR Regulations or not. If they are within it we have to accept them.

HON J BOSSANO:

This seems to be a new approach from the Government to EEC Regulations and EEC commitments when we have been told by the other side on more than one occasion that they will have to be adapted to our needs. Is the Government trying to do anything to resist this or is it quite happy to see it happening?

HON M K FEATHERSTONE:

In the same way as no prior Spanish authority is required for local coaches undertaking ASOR trips to Spain, I think it was on the news the other day that there is a big bus which is taking trips to Spain.

HON J BOSSANO:

So is the Hon Member then saying that under this ASOR thing of which I am not as familiar as my Hon Colleague who has put the question, the situation is that a bus in Gibraltar on a route can start off in the Lighthouse and then when it gets to the frontier become an occasional bus and carry on with the passengers to the other side, that is the situation is it, in the opposite direction?

HON M K FEATHERSTONE:

If it does it on occasions, yes.

HON M A FEETHAM:

This is on a regular basis, this is the problem, it is on a regular basis.

HON M K FEATHERSTONE:

We will have it investigated.

HON M A FEETHAM:

A final point on this one. Will the Hon Minister also commit himself to ensure that the malpractices which are going on aboard that bus and of which Portillo is fully aware which has already been reported to the authorities in terms of selling aboard the bus is also investigated because, again, it is depriving local retailers from business in that area, he is abusing his position anyway?

HON M K FEATHERSTONE:

That will be looked at.

HON J E PILCHER:

Mr Speaker, may I ask the Government when they look at this would they bring it back to the House with the information so that we can discuss the political implications of this?

HON M K FEATHERSTONE:

Yes.

NO. 241 OF 1986

ORAL

THE HON M A FEETHAM

Can Government state what the position is with regard to the proposed development of the Rosia Bay site now that the 6-month option for the purpose of carrying out a feasibility study expired on the 25th September, 1986?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Mr Speaker, the developer has now concluded a market and feasibility study for the construction of an hotel within the development area and has submitted proposals for Government's consideration. These are currently being considered by the Development and Planning Commission on planning grounds, and if found acceptable, will be referred to the Land Board for consideration of the allocation of the land.

NO. 242 OF 1986

ORAL

THE HON M A FEETHAM

Has Government now decided that a project of the magnitude of Princess Caroline's Battery should not be directly allocated to a specific company and that it should therefore be the subject of normal tender procedures?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

No, Sir, the matter is still under consideration.

SUPPLEMENTARY TO QUESTION NO. 242 OF 1986

HON J BOSSANO:

Mr Speaker, are we likely to find out that a decision has been taken after the event or will the House know?

HON A J CANEPA:

Well, put it this way, yes, you are likely to find out that a decision will be taken after the event in the sense that Council of Ministers will take a decision and obviously I cannot communicate it to Hon Members opposite immediately.

HON J BOSSANO:

I accept that but what I am suggesting, Mr Speaker, is we have obviously brought the matter to the House because we ourselves have strong feelings on the subject and we are trying to get the Government's position clear.

HON A J CANEPA:

Those strong feelings have been taken into account.

MR SPEAKER:

Next question.

NO. 243 OF 1986

ORAL

THE HON M A FEETHAM

Can Government state what progress has been made to allow for participation by the general public, as is done in the UK, in the matter of applications for planning permission?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Mr Speaker, a working group - perhaps I should explain because the answer doesn't highlight this, that it was, in fact, a sub-committee of the Development and Planning Commission that constituted this Working Group - was set up to consider this matter together with other amendments to the Town Planning Ordinance recommended by the Commissioner of Inquiry into the Casemates Wall collapse. The Group has submitted a series of proposals which are being considered by the Development and Planning Commission. The Commission is, however, awaiting legal advice on certain aspects of the proposals. Once this advice is received, the Commission expects to conclude its deliberations and make recommendations to Government.

SUPPLEMENTARY TO QUESTION NO. 243 OF 1986

HON M A FEETHAM:

Mr Speaker, can the Hon Member say at this stage what these proposals are?

HON A J CANEPA:

Broadly speaking, that we should accept in principle that there should be a greater element of public participation than there is now whereby people who are aggrieved by the manner in which a building application can affect, for instance, their property if it is on an adjoining site, should be able to make representations on the matter. The aspects on which we are seeking legal advice is the question of how far the right of appeal should extend. For instance, where people object to a building application should the right of appeal be limited to those who can be affected by the proposals or should anybody have the right to appeal. Once we have resolved these matters I hope to be in a position to bring legislation to the House.

MR SPEAKER:

Next question.

NO. 244 OF 1986

ORAL

THE HON J L BALDACHINO

Mr Speaker, can Government state what progress has been made on the sale of flats in Rosia Dale Estate to sitting tenants?

ANSWER

THE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Sir, substantial progress has been made in the preparation of documents necessary for the sale. Final arrangements for the sale are expected to start early this month.

SUPPLEMENTARY TO QUESTION NO. 244 OF 1986

HON J L BALDACHINO:

Can the Hon Member say if the sale is going to be more than 50%?

HON A J CANEPA:

It looks as if it will be in excess of 50%, yes.

MR SPEAKER:

Next question.

3 11 86

NO. 245 OF 1986

ORAL

THE HON J E PILCHER

Has Government now proposed to ODA that any part of the £6m Development Programme 1986/90 should be allocated to tourist development?

ANSWER

THE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Yes, Sir. ODA has been asked for flexibility in the allocation of funds towards infrastructure/tourism. The Forward Planning Committee has met to discuss project priorities and a number of project applications will shortly be submitted. A number of projects directly or indirectly linked to tourism have been identified (ie Piazza, O'Hara's Battery, St Michael's Cave, etc). The Forward Planning Committee will be meeting again to examine detailed costings and decide whether these could be funded locally, or submitted to ODA.

SUPPLEMENTARY TO QUESTION NO. 245 OF 1986

HON J E PILCHER:

Mr Speaker, if they are submitted to ODA this would be in place of other projects already agreed?

HON A J CANEPA:

Yes, because ODA did give an indication of how the £6m in their view should be dispersed. As I recall it there was nothing for tourism there so if we were to approach the ODA for some specific projects it will be at the expense of something else. I think I should make it clear though that in the case of ODA we are dealing with a sum of about £6m whereas the overall Development Programme is intended to be far in excess of that. I think the judgement that the Government must make is which are the projects which are likely to be approved by ODA most expeditiously.

HON J E PILCHER:

Mr Speaker, first of all, the Forward Planning Committee review. What time-scale are we talking about for a decision to be made by this Committee?

HON A J CANEPA:

The Forward Planning Committee has already drawn up a list of projects and identified priorities. In some cases we need detailed costings, we don't have those. It will be meeting on a regular monthly basis but already there are two or three projects generally which are the subject of project applications but I cannot be more specific than that about time-scales, I am afraid.

HON J E PILCHER:

Is the Forward Planning Committee taking over from the Committees that were set up during the Pitaluga Report and all those recommendations are the input into the Forward Planning Committee?

HON A J CANEPA:

The Forward Planning Committee has existed since 1980, I think. It consists of Ministers and Heads of Departments who have a bigger involvement with what goes into the Development Programme. For instance, I Chair the Committee, the Minister for Public Works, his Director and the two Deputies are members, the Minister for Municipal Services and the Chief Electrical Engineer, Economists, the Financial and Development Secretary and we co-opt Ministers and officials as required, for instance, if there is going to be considerable discussion of education, of the requirements of the Education Department, we will co-opt the Minister and the Director for that meeting. I think the Minister for Housing is also a permanent member and the Housing Manager, it is a very big Committee and its function is to put together the Development Programme initially, to allocate priorities and make recommendations to Council of Ministers and then, in this instance, to review the content of the Development Programme in the light of the ODA response and in the light of whatever funds are available either through transfer from the Consolidated Fund or through borrowing.

HON J E PILCHER:

If I can just get it clear in my mind, Mr Speaker, because it is a bit confusing. We have a series of Committees on Tourism after the Pitaluga Report which all brought in different priorities and different things that they wanted to see in different areas of the tourist industry. They all brought the recommendations to one Tourist Consultative Committee which decided and set out priorities as they saw it given the new enhancement of the tourist industry. Will the Forward Planning Committee be taking these priorities as already agreed by the Tourist Consultative Board or will they be changing those priorities to suit the new overall programme?

HON A J CANEPA:

Yes, because the function of the Forward Planning Committee is to allocate funds for tourist projects in the light of the requirements of other departments. It has got to try and exercise a judgement in making its recommendations between the demands of the tourist industry, the requirements of housing, education, the Port and so on.

MR SPEAKER:

Next question.

3 11 86

NO. 246 OF 1986

ORAL

THE HON M A FEETHAM

Has Government now accepted that the total development aid to be granted by UK for the current development programme should be limited to only £6m?

ANSWER

THE HON THE CHIEF MINISTER

Yes, Sir. The Government has reached this conclusion having regard to constraints on the Aid Budget, the additional £2.4m for GSL and the ODA's policy stand of not providing funds for social development. The £6m is a sizeable contribution to the estimated £17.6m programmed for infrastructural projects in the 1986/90 Development Programme.

3 11 86

NO. 247 OF 1986

ORAL

THE HON M A FEETHAM

Can Government state whether HM Government has now made it known that there will be no further development aid for Gibraltar when the current development programme ends?

ANSWER

THE HON THE CHIEF MINISTER

Mr Speaker, there has been no statement on the part of Her Majesty's Government to the effect that there will be no further development aid for Gibraltar when the 1986/90 Development Programme ends.

3 11 86

NO. 248 OF 1986

ORAL

THE HON J C PEREZ

Will Government state what progress, if any, there has been in their negotiations with the Ministry of Defence for the release of one of the Naval Pitches to be used as a car park?

ANSWER

THE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Sir, the Ministry of Defence has been approached on the possible use of Naval Football Ground No.2 as a private car park to decongest City Centre traffic.

They have indicated that this facility is still required but have offered to make available the USOC Hockey Pitch for coach parking from dawn to 5.00 pm Mondays to Fridays only and that it be used as a sports ground at all other times. This would release the existing coach park for use as a private parking area. This proposal is currently under consideration.

THE HON M A FEETHAM

Will Government give a definite date when it intends to implement the Fourth Directive 78/660 of July 1978 on Company Law based on article 54(3)(G) of the Treaty on annual accounts of certain types of companies now that the Minister for Economic Development has indicated in the local press that the Directive can be introduced in a manner that would not stunt Gibraltar's development as a Financial Centre?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

No, Mr Speaker. As already stated in reply to a supplementary question from the Hon Member in July, it is not possible to say when the Directive will be given effect in Gibraltar because its implementation is linked to the current review of the Companies Ordinance.

SUPPLEMENTARY TO QUESTION NO. 249 OF 1986

HON M A FEETHAM:

Mr Speaker, do I take it that the Hon Member is saying that Government is now taking steps to draft the legislation?

HON A J CANEPA:

The Government is taking steps to draft a new Companies Ordinance.

HON M A FEETHAM:

If I recall, Mr Speaker, during the course of my last question the final supplementary that I put to the Hon Member opposite was, was there a difference of view between Her Majesty's Government and the Gibraltar Government on the Fourth Directive and the Hon Member said: "No, we haven't reached that stage". I want to rephrase the question, is there a difference of view between what the EEC are suggesting for the implementation and what the Department of Trade and Industry is saying on the matter?

HON A J CANEPA:

We have got a first draft of the Companies Ordinance. Is the Hon Member asking me about that or the Directive?

HON M A FEETHAM:

Both things, Mr Speaker. The Directive and the draft legislation must go hand in hand since you cannot introduce the draft legislation without taking into account the essence of the Fourth Directive, surely? Otherwise why introduce new legislation unless it is to up-date the existing 1929 Ordinance?

HON A J CANEPA:

The legislation is out of date, the Companies Ordinance needs to be

reviewed comprehensively and this is being done. When the legislation has been drafted, obviously account has got to be taken of the EEC Fourth Directive but we are confident that legislation can be brought to the House that should dispel apprehension that currently exists about the application of the Fourth Directive and therefore what I am saying is that whatever the views of the DTI may be and whatever the Directive of Brussels is as we know it, we are confident that we can bring legislation to the House that will not stunt the growth and the development of Gibraltar as a Finance Centre but that, in fact, many of the aspects of the Directive which would be incorporated in our legislation will, in fact, enhance the legislation and make Gibraltar Companies more attractive to trading and investment opportunities.

HON M A FEETHAM:

Mr Speaker, I follow the line of the answer given by the Hon Member, but isn't it a fact that what Government intends to do is to introduce the 1985 UK Company Act in Gibraltar?

MR SPEAKER:

They haven't said that.

HON M A FEETHAM:

No, but I am asking, is that basically, what Government intends to introduce?

HON A J CANEPA:

The United Kingdom 1985 legislation is taken into consideration but, in fact, it is an amalgam of that and other pieces of legislation. There has only been a first draft produced, I will let the Hon Member into a secret, the Government - if by the Government I mean Ministers - have not seen it so the Hon Member need not worry, they have to see it obviously before we proceed with it and it will not be brought to the House without full consultation, in particular, with the Finance Centre Group.

HON M A FEETHAM:

I understand but if that is the case and they are bringing it into line with the UK 1985 Company Law, a combination of that and bringing up to date the 1929 local Ordinance, I am asking the Minister will this meet, and of course he doesn't know because he hasn't even seen it perhaps the Hon and Learned Attorney-General should answer it, will it meet the requirements of the Fourth Directive? That is what I am asking because if it does in UK will it do in Gibraltar, yes or no?

MR SPEAKER:

The Minister said it would.

HON A J CANEPA:

It will take account of it in such a way that will be beneficial.

THE HON M A FEETHAM

Is Government aware of the very high service charges being levied on owner occupiers of flats at Ocean Heights and is it Government policy to adopt measures to remedy the situation?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Mr Speaker, the Government is not aware of the situation regarding the level of service charges at Ocean Heights.

SUPPLEMENTARY TO QUESTION NO. 250 OF 1986

HON M A FEETHAM:

Mr Speaker, I think perhaps it would be for the benefit of the Hon Member and the Government that I should quote some factual figures which I have because I think the situation at Ocean Heights is scandalous. During the period of ten years, rates for services has increased from £50 to £448 per quarter, an increase of 800%. Is the Government aware just following the facts, that this increase is supplementary to an additional levy which the residents had to pay when major works were carried out on the lifts and the swimming pool and is Government aware that this has been paid as a separate cost? Is Government aware that as far as management and audit fees residents for the year 1986 and 1987 have had to pay an increase of 90% on the costings? The total net effect of this is, I am sorry it is a series of questions because obviously Government are not aware and I want them to look at this, that the valuation of the flats which people have bought which will go against their interest unless we do something about it if we are going to encourage home ownership, the valuation has dropped in some cases by 15% of those flats because nobody wants to buy them because of the service charges? Is Government aware of all these facts?

HON A J CANEPA:

No, because they have not been brought to the notice of the Government by anybody.

HON M A FEETHAM:

If it was brought to their notice, would Government be prepared to do something?

HON A J CANEPA:

The Government is prepared to look generally into the matter and if abuses exist to try and put a stop to them. I must make it clear that there do not appear to be any legislative powers at present under which that could be done and therefore what might be necessary might be to enact new legislation.

HON M A FEETHAM:

I welcome what the Hon Member opposite has said. I suggest that there is a precedent under the British Landlord and Tenant Act of 1985. Will Government commit itself that to introduce legislation to cover service charges on the lines which exist in Britain (a) where charges must be reasonable, (b) where, for example, landlords or managing agents carrying out works costing more than £500 or £25 per flat; at least two estimates must be obtained and (c) for example, where audit accounts and information must be made available to the tenants so that the general pattern is that it is a reasonable thing, it is open in tendering and there is something in the lease to give a force to that sort of situation so that the residents have got some backing?

HON A J CANEPA:

Mr Speaker, the matter has been first brought to my notice when I saw the question, obviously, that there were indications of very high service charges. It is only now, in the House this afternoon, that we have heard some details of what these increases are. I think the Hon Member can hardly expect an undertaking to the extent that he is seeking it. What I can say is that we will look into the situation and we will see whether measures are required to remedy the situation but, in the first place, obviously what has to be done is that representations have got to be made to the Government with detailed information before it can take the matter any further.

MR SPEAKER:

Next question.

NO. 251 OF 1986

ORAL

THE HON R MOR

Mr Speaker, what is the situation as regards on-going discussions with the British Government to meet the cost of Spanish pensions beyond 1988?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, following the agreement with HMG announced on 23rd December, 1985, it has been decided to set up a Joint Study Group of officials of both Governments to look at this problem in the longer term. The terms of reference of the Study Group are as follows:

1. to estimate the expenditure required to pay SIF pensions at full rates to eligible beneficiaries (including Spanish contributors) from 1 January, 1986, until the liability for Spanish contributors is extinguished, by time, of course.
2. to assess the capacity of the Gibraltar economy to contribute towards meeting the liability after the end of 1988, taking into account the Gibraltar Government's financial and economic policies.
3. to consider other ways and means of funding the liability, notably European Community Funding.

SUPPLEMENTARY TO QUESTION NO. 251 OF 1986

HON R MOR:

Mr Speaker, has this Study Group actually met recently or is it meeting?

HON CHIEF MINISTER:

The first of the meetings have been held in Gibraltar recently and another one will be held in a short while in London.

HON R MOR:

So, in fact, I would presume that the Government will expect to come up with something by 1988?

HON CHIEF MINISTER:

I should hope long before 1988.

THE HON M A FEETHAM

What action is Government taking to remedy the unjustified delays to which vehicles are being subjected on entering Spain?

ANSWERTHE HON THE CHIEF MINISTER

Representations have been made via the FCO about the delays that have occurred. It is hoped that Spain will address this problem, and introduce Red and Green channel traffic at an early stage.

SUPPLEMENTARY TO QUESTION NO. 252 OF 1986

HON J C PEREZ:

Mr Speaker, could the Hon Member say, as a matter solely of information, whether there is an EEC requirement that at a certain date the red and green channel system should be operational in all EEC countries?

HON CHIEF MINISTER:

There is no EEC provision with regard to red and green channels in land frontiers and, in fact, if as has been originally envisaged by the joint team the green and red channel is introduced at the frontier, it will be the first one that Spain will have so this is not a requirement of the EEC, it is a suggestion to dispose of traffic into Spain and expedite the clearing of the very heavy traffic that takes place.

HON M A FEETHAM:

Mr Speaker, as it isn't a requirement, perhaps the Kingdom of Spain ought to be informed that there is a principle of the Community involved in this and the principle of the Community is that - I have got it in front of me - the principle of the Community is 'of seeking as far as possible a reduction in waiting time for checks and the duration itself of the checks and especially ease, as far as possible, checks on nationals living close to the Member State's internal frontiers' which is in very sharp contrast, of course, to the present insistence to stop and search every vehicle. That is the point I am trying to make.

HON CHIEF MINISTER:

Yes, but unfortunately or fortunately, the system of taxation and economic systems in the rest of the Community as between Members is different to Gibraltar and Spain. VAT, CAP and ETT don't apply and therefore because we are entitled to impose our own taxation here, they are entitled to look at cars and therefore it is not an exact equivalent of the Directive. I am pleased to hear that over the weekends they have changed the incoming traffic to expedite and they have put two queues incoming over the weekends, I have been told, and it has very much

expedited matters. Hon Members who visit Spain frequently will know better than I do.

MR SPEAKER:

Next question.

NO. 253 OF 1986

ORAL

THE HON M A FEETHAM

Mr Speaker, why does the bilateral agreement existing between Britain and Spain supplementary to EEC Directive No. 1/62 in the area of heavy goods vehicles not apply equally to Gibraltar as a result of which a lorry belonging to Messrs Monteverde was impounded in Spain?

ANSWERTHE HON THE CHIEF MINISTER

Sir, the Bilateral Haulage Agreement between the United Kingdom and Spain has not been extended to Gibraltar. Its provisions do not therefore apply to Gibraltar/Spain traffic.

SUPPLEMENTARY TO QUESTION NO. 253 OF 1986

HON M A FEETHAM:

Mr Speaker, isn't it a fact that such a revision was requested at either Ministerial or Ambassador level over a year ago officially?

HON CHIEF MINISTER:

At the Technical Talks held at La Linea and in Gibraltar in January, 1985, a proposal was put to the Spanish delegation to the effect that such agreement duly amended to ensure reciprocal application be extended to Gibraltar. The Spanish delegation although agreeable to such proposals had no such negotiating brief but agreed that the quickest way of implementing it would be via an exchange of notes through diplomatic channels. A note was subsequently sent by the British Embassy to the Spanish Ministry of Foreign Affairs but to date and despite repeated attempts by the Foreign and Commonwealth Office, the British Embassy, the UK Department of Transport and local officials, the extension of the agreement to Gibraltar and its proposed reciprocal terms has not materialised. In May, 1985, Gibraltar attended as part of the UK delegation the UK/Spain Joint Committee on the bilateral agreement. Spain was asked when a reply to the note would be forthcoming, the answer given by the Spanish Transport Official present was that as far as they were concerned the text was acceptable, however the extension of the agreement was being dealt with at diplomatic level and an answer was due any day now. It was therefore agreed verbally that pending the ratification and in order not to impede the smooth flow of goods traffic, similar-like measures would apply in the interim. Such liberalisation measures have in fact applied since the frontier normalisation until now. We have now heard from the Spanish Government that they propose to apply the bilateral agreement without the proposed amendment. This proposal is acceptable as an interim measure and ratification of the application is being sought.

HON M A FEETHAM:

In fact, what the Hon and Learned Chief Minister is saying is that it will apply to Gibraltar in the same way as it applies between Britain and Spain now?

HON CHIEF MINISTER:

Well, the Spanish Government have said that they propose to apply the bilateral agreement without the proposed amendment which is the amendment that had been suggested at the talks. This proposal, for the moment, is acceptable to us and the matter will be pursued.

HON M A FEETHAM:

So who is going to be responsible for the payment of the fine and everything that has happened which has been a matter of, perhaps, a failure on the part of the British Government or the Technical Talks team or even the Gibraltar Government?

HON CHIEF MINISTER:

The Gibraltar Government has no responsibility for the implementation in another country of laws that are applicable there. The agreement was tacitly accepted by both sides and suddenly there was this incident. I know that it is the subject of diplomatic representation but the Government of Gibraltar cannot accept any responsibility in that respect.

HON M A FEETHAM:

Mr Speaker, I don't wish to sound insistent but what I am saying is that when the frontier opened it opened under certain conditions following technical discussions whereby it was published under what conditions transport could cross the frontier. There is an EEC Directive which refers to a 25 kilometre distance but there is a bilateral agreement which extends it to 35, between Britain and Spain. Gibraltar's position is negotiated by Britain, if Britain fails to cover Gibraltar adequately in this area for one reason or another and an understanding is reached and it is not yet delivered and in the meantime a car from Gibraltar is impounded somebody is responsible for the impounding of that car and the payment of that fine and it cannot be Monteverde and Sons, that is what I am saying.

MR SPEAKER:

You must seek information.

HON M A FEETHAM:

Mr Speaker, I apologise but I am trying to put over the situation as it has materialised.

HON CHIEF MINISTER:

The situation is as I explained in my long supplementary as to how things happened up to the time when the incident occurred and apparently now there is going to be an interim arrangement that will be satisfactory and no doubt the person aggrieved may have the option of asking for the matter to be reviewed, certainly it is not the responsibility of the Gibraltar Government. I imagine it is the responsibility of the British Government to pursue the matter because it broke what had been a tacit agreement though not confirmed and diplomatically between two friendly nations those things can be solved but there is no question of any legal

responsibility on our part.

HON M A FEETHAM:

Would the Hon and Learned Chief Minister agree that there is a level of responsibility somewhere other than at Monteverde Transport and Sons?

HON CHIEF MINISTER:

I think steps are being taken to see whether the matter can be remedied.

HON J E PILCHER:

Mr Speaker, the Hon and Learned Chief Minister has said application has already been made to the UK Government for us to participate in the bilateral agreement between Spain and UK, does that mean that at this moment we do not have an agreement between ourselves and Spain?

HON CHIEF MINISTER:

What I have said was that there has been an indication from the Spanish Government that they propose to apply the bilateral agreement without the proposed amendment which had been suggested. For the moment that is acceptable to us, it would deal with the situation such as the Monteverde case and ratification of the application is being sought in order that it will be brought into effect, it isn't one-sided, they have to obtain our approval as well.

HON J E PILCHER:

That means, if I understand it correctly, that at this moment we do not have an agreement for which we can make exemptions for our vehicles to travel outside the 25 kilometres.

HON CHIEF MINISTER:

Well, we will have very soon another interim measure which will deal with the problem between now and the end of the year. I am not in a position at this stage to give details but the matter is being pursued and it is a matter, perhaps, of days now.

HON J E PILCHER:

From one interim to another, under the bilateral agreement between Britain and Spain obviously the exemption to travel over the 25 kilometres is awarded by Great Britain, would we work under a quota system by which our Licensing Authority can issue the exemptions?

HON CHIEF MINISTER:

For the moment, yes.

HON J E PILCHER:

For the moment but not starting now, starting when the system is agreed.

HON CHIEF MINISTER:

Well, for the moment means for the moment in the course of the next few days.

HON J E PILCHER:

This is an interim temporary agreement, will the Government continue to press for full rights?

HON CHIEF MINISTER:

Absolutely and not only the Government, I think, the British Government is very strong and the Embassy is pursuing it because this is one of the areas where cooperation for mutual benefit is very essential if there is a bona fide approach to the Brussels Agreement.

MR SPEAKER:

Next question.

3 11 86

NO. 254 OF 1986

ORAL

THE HON J E PILCHER

Has Government now accepted that no further aid will be provided to finance GSL beyond the £2.4m already promised?

ANSWER

THE HON THE CHIEF MINISTER

Mr Speaker, the whole question of the future of GSL and its funding needs are the subject of a consultancy study which is expected to be completed by the end of this month. Until the findings of that study are known, the Gibraltar Government would wish to reserve its position on the matter.

SUPPLEMENTARY TO QUESTION NO. 254 OF 1986

HON J E PILCHER:

Mr Speaker, obviously I have another question based on the Study into GSL and I know, Mr Speaker, that we all want to have a cup of tea but notwithstanding that, there is an answer to Question No. 187 in July where the Hon and Learned Chief Minister said that they were not satisfied with the £2.4m, that there was £1m still left and that we would be getting an answer on the merits of that £1m irrespective of the consultancy and, in fact, he went on to say that there had been various problems surrounding this, one was the fact that officials had changed in ODA but that we would be getting an answer on the £1m extra to come to GSL irrespective of the consultancy. What the question is asking is, have we now forgotten that and we are looking at the consultancy to provide that extra capital?

HON CHIEF MINISTER:

No, we haven't forgotten it but the answer so far is no and therefore we don't want to accept that.

MR SPEAKER:

Next question.

NO. 255 OF 1986

ORAL

THE HON J E PILCHER

Can Government confirm that they have now received an Interim Report from the consultants looking into the Gibraltar Ship-repair operation?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, the Government has not received an interim Report from the consultants looking into the GSL operation. There are, of course, regular consultations to discuss progress. A Report is expected towards the end of this month or early December.

SUPPLEMENTARY TO QUESTION NO. 255 OF 1986

HON J E PILCHER:

Mr Speaker, may I ask whether the Report will be made public?

HON CHIEF MINISTER:

I cannot commit myself until I see the Report.

HON J E PILCHER:

Could the Hon and Learned the Chief Minister at least commit himself to give the Opposition a copy of this Report?

HON CHIEF MINISTER:

I commit myself to look at it and consider it.

HON J E PILCHER:

What the Chief Minister is saying is that he wants to look at it before he considers it, before he gives us a copy and before the public know what it is?

HON CHIEF MINISTER:

I will just consider especially the request for the Opposition as a second best.