

GIBRALTAR

HOUSE OF ASSEMBLY



QUESTIONS AND ANSWERS

8TH JULY, 1986

110 TO 189

NO. 110 OF 1986

ORAL

THE HON J E PILCHER

Can Government give the number of hourly paid workers at Gibrepair and how does this compare against the figures for the 1st February, 1985, after one month of operation?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the total number of hourly paid workers at Gibrepair at the end of May, 1986, was 606 compared with 382 in February, 1985.

SUPPLEMENTARY TO QUESTION NO. 110 OF 1986

HON J E PILCHER:

Mr Speaker, is it still the intention to proceed with the projections of employment by the end of the second year as contained in the work project which was something in the region of 900 workers by the end of the second year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Mr Speaker, as Hon Members and, indeed, everyone will be aware from recent events, that some of the original assumptions made by A & P Appledore in their projections have, with the passage of time and in the light of various factors, become less certain and as the Hon Member will know, this is one of the things which we would expect to be considered, inter alia, by the consultants who are to be appointed by the Government.

HON J E PILCHER:

Mr Speaker, in the meantime, however, and I accept what the Hon Financial Secretary is saying, in the meantime, is it the policy to remain static on employment? The consultancy for all we know, and we have a question on the Question Paper about the consultancy, for all we know obviously these things take time. In the meantime, will employment remain static or is it the intention to decrease or increase?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Government has no policy on this matter, of course, Mr Speaker, it is a matter for the company and their commercial judgement and what they see fit in order to maintain commercial viability and an optimum commercial profile within the coming months.

HON J E PILCHER:

I accept that, Mr Speaker, but I am questioning the Government. Has the Government asked what is the policy of the company?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker.

HON J BOSSANO:

Mr Speaker, doesn't the Government accept that in terms of projecting Gibraltar's manpower needs they ought to find out what their wholly-owned company intends to do so that they can judge whether there is going to be greater or less demand for labour in Gibraltar over the next twelve months?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

As I have just said, Mr Speaker, the Government has appointed consultants and they will discuss this matter with the company, I have no doubt, and in the not too very distant future one would expect that some clearer indications of the future prospects of the company and, indeed, employment by the company, will appear.

HON J BOSSANO:

So the position is that at the moment the Government has got no idea whether employment in its wholly-owned company is going to be increasing or decreasing and it doesn't think it is important to find out? That is the Government's position.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, I don't accept the implications by the Hon Gentleman at all.

MR SPEAKER:

Next question.

8.7.86

NO. 111 OF 1986.

ORAL

THE HON J E PILCHER

Can Government state whether the salaries and/or allowances of the expatriate personnel of GSL have been increased since they took up employment and, if so, by how much?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, expatriate personnel employed by GSL are normally recruited on fixed contracts. Consequently, there have been no increases in the salaries or allowances of such personnel.

NO. 112 OF 1986

ORAL

THE HON J E PILCHER

Can Government state whether in the £2.5m salaries bill for monthly paid staff employed by GSL in 1985, is included the salaries and allowances of expatriates and, if so, how much is accounted for by the latter and of that, how much is free of tax?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the 1985 salaries bill of £2.5m included the cost of salaries and allowances of expatriates employed by GSL. This accounted for around £0.9m. The non-taxable element of this is a confidential matter in the commercial sense and the Government does not propose to make this information available.

8.7.86

NO. 113 OF 1986

ORAL

THE HON J E PILCHER

Is the Management Fee payable to A & P Appledore International liable to tax in Gibraltar?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, under Section 6(1)(a) of the Income Tax Ordinance tax is charged on the income of any person accruing in, derived from, or received in Gibraltar in respect of gains or profits from any trade, business, profession or vocation. The Management Fee payable to A & P Appledore International is therefore liable to tax in Gibraltar.

NO. 114 OF 1986

ORAL

THE HON J E PILCHER

Can Government state whether they have now received the whole of the £28m from ODA for the GSL Special Fund?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

No, Sir, the total amount received from ODA for the credit of the GSL Fund is £26.4m. The balance still to be released of the £28m is therefore £1.6m.

SUPPLEMENTARY TO QUESTION NO. 114 OF 1986

HON J E PILCHER:

Mr Speaker, was not the release of the £28m initially conditional on the agreement of working practices?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, Mr Speaker, there was a reference in the original agreement to the maintenance of acceptable working practices.

HON J E PILCHER:

Is ODA therefore saying now that the working practices are not acceptable and is this why they are holding back the £1.6m and, if not, what is the reason for holding back the £1.6m?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think there is another question down on the Order Paper, Mr Speaker, addressed to the Chief Minister, and I think he may wish to say more about this matter.

MR SPEAKER:

We will leave it and then when the next question is asked you will be entitled to ask further supplementaries on this one.

HON J E PILCHER:

I don't know, Mr Speaker, which is the question that the Hon Financial Secretary is referring to.

MR SPEAKER:

You have my assurance that if there isn't one you will be allowed to ask supplementaries. Next question.

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HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I would like to make a statement to try and clear up any misunderstanding which may have arisen as a result of the supplementaries on Question No. 114 by the Hon Mr Pilcher yesterday. The question was: "Can Government state whether they have now received the whole of the £28m from ODA for the GSL Special Fund?" And my answer was: "No, the total amount received from ODA for the credit of the GSL Fund is £26.4m. The balance still to be released of the £28m is therefore £1.6m". That is correct, £1.6m is still to be released but £300,000 is the amount withheld, that is, as I explained, the balance from the original split between offshore and local expenditure which is available for working capital purposes. As far as I am aware, there is no intention on the part of the ODA to withhold the remaining £1.3m making up the total of £1.6m, as this is on approved work in the original memorandum, therefore it is simply a question of the money not having been released because the bills have not yet been paid or the expenditure has not come to account. I think the confusion may have arisen because £1.6m is fairly close to a figure of £1.7m which, of course, is a rather different figure. As I explained, the shortage of working capital arose because the capital overruns on the originally approved items came to £1.7m and ODA approved that particular figure. That was the first reason. The second reason was the fact that GSL, as I explained, with ODA approval, used the amount originally intended for local expenditure, ie working capital, to meet the cost of those capital overruns.

HON J BOSSANO:

Mr Speaker, so the situation therefore is that the capital overrun approved effectively meant that the company on the original provision would have spent £29.7m but in fact the £1.7m was approved by diverting funds from within the £28m to another purpose and therefore to restore those funds would mean an additional £1.7m over the £28m. So where do the £2.4m come in then?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The £2.4m is the addition to the £28m that ODA have actually offered. The Hon the Leader of the Opposition stopped in his calculations of £29.7m; that is to say, £28m and £1.7m. The £1.7m represents the capital overruns, an additional £700,000 is for further works, repairs to roofs, the fact



that the crane rails left by the former Naval Dockyard collapsed and a new fresh water pipeline because the existing one is not up to standard, those are the three items which I know are in that £700,000 and the ODA officials thought that that was a perfectly reasonable request to make.

HON J BOSSANO:

I got the impression, Mr Speaker, the Hon Member was saying that, in fact, the £1.7m has been spent and therefore it is a question of meeting the cost but the expenditure has already taken place. Is that also true of the other £0.7m or is that the other £0.7m the expenditure has been approved but has not taken place?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That is correct, Mr Speaker, the expenditure has been approved but has not yet taken place and I also perhaps ought to add that for other reasons the company had to postpone certain expenditure which was considered desirable of a capital nature but not absolutely essential again because of these cash flow shortages.

HON J BOSSANO:

Could I just ask one further thing, Mr Speaker? Is it not true that, in fact, in the original capital projections made by the company when these were examined in the Project Study by Coopers and Lybrand, Coopers and Lybrand queried the figures as being on the high side, as being excessive so does it mean, in fact, that since we are talking about a net figure of £1.7m overrun and a number of things for which there was provision have not materialised, ie a £1m for the tug it means, does it not, that the excess on the remaining has, in fact, used up all that there was there in terms of contingencies and money that has not been spent and still £1.7m on top? So, in fact, the overrun must be more like £3m or £4m.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I don't know whether I would entirely agree with that but there certainly have been changes. I don't recall the comments in the Report as the Hon Member does, there have been a number of changes, some contract works have not exceeded budget and others have so that there have been a number of changes and, indeed, postponements amongst the items in the original £28m.

HON J BOSSANO:

But the point I am making, Mr Speaker, is if this is a net figure over and above what was provided and what was provided at the time was queried by the experts that the Government brought in as being on the high side and if

we know from having observed what has taken place subsequently that the things that were queried as perhaps being unnecessary have not materialised, for example, a £1m capital investment in a tug has not taken place so therefore it means that there must have been overruns on the rest of the expenditure of £1m in addition to the £1.7m and there was a figure of £ $\frac{3}{4}$ m for contingencies for the next three years which presumably has also been used up. Am I correct in saying that or are those things part of the overrun?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Hon Member is correct, I think, in saying that the £1m for a tug was not used but then I wouldn't simply isolate that particular item and say that this is the only factor. I think there have been a number of factors at one point which one tries to make as delicately as possible because of the sensitivities of the former owners of the yard, is the fact that it was in a rather worse state than was imagined and I think quite reasonably, given the amount of time they were allowed to go into the yard, when their original calculations were made they found that they incurred a lot more expenditure and ODA are aware of that. I haven't got a figure absolutely in mind but I think certainly £1m might be about the same forecast figure.

NO. 115 OF 1986

ORAL

THE HON J E PILCHER

Can Government confirm whether the RFA and other MOD work undertaken by GSL have been obtained at a price which provides for a profit from these operations?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the Government considers that this information is commercial in confidence and should therefore not be made public.

SUPPLEMENTARY TO QUESTION NO. 115 OF 1986

HON J BOSSANO:

Mr Speaker, we are not asking the Government to tell us how much profit they are making. Can the Government say what is confidential about whether we are losing money or making money on naval work? Why should that be confidential? We are not saying how much they are making but surely it is important for this House to know whether work, for which we are supposed to be grateful, is something we are subsidising or something which we are not losing money on.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I can certainly answer the subsidiary point made by the Hon Leader of the Opposition, Mr Speaker. Yes, a profit figure is built into the price.

MR SPEAKER:

Next question.

8.7.86

NO. 116 OF 1986

ORAL

THE HON J E PILCHER

Can Government state whether ODA has now released the agreed additional £2.4m due to be paid into the GSL Special Fund?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the release of the balance of the £28m originally made available by HMG and of the £2.4m offered in April, 1986, has been and is currently the subject of strong representations by the Gibraltar Government. These funds have not yet been released. I do not think, in all the circumstances, that it would be correct to refer to the additional sum of £2.4m as an agreed sum.

SUPPLEMENTARY TO QUESTION NO. 116 OF 1986

HON J E PILCHER:

Mr Speaker, I am not sure where I stand at this stage because my question is what are the reasons being given by ODA for the holding back of the £1.6m and the £2.4m of ODA grant to GSL?

HON CHIEF MINISTER:

I think I can give an answer to the House later on.

MR SPEAKER:

Next question.

THE HON J E PILCHER

Can Government state how much money was paid from the GSL Special Fund for the demolition and disposal of the former MOD cranes?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the demolition and disposal of former MOD cranes formed part of the main civil works contract, and included demolition of structures and buildings. The final figures are not available, but the original contract sum allowed for just over £100,000 for this purpose.

SUPPLEMENTARY TO QUESTION NO. 117 OF 1986

HON J E PILCHER:

Mr Speaker, it has come to our knowledge that the contract was given for the demolition and disposal of the former MOD cranes and this was then subcontracted to a Spanish firm which, in fact, did the demolition and disposal for free in exchange for the scrap metal value of the old MOD cranes. Does the Government know of this?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, I have given the Hon Gentleman the information which was provided to me by the company and the figure which I quoted, £100,000, is, I understand, fairly close to the expected outturn.

HON J E PILCHER:

Could the Hon Financial Secretary therefore undertake to look into this situation?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir.

HON J. BOSSANO:

The Government is quite happy that we should use £100,000 of UK money to pay somebody who in turn pockets the money and has the work done for nothing by somebody else and he expects to be able to convince ODA to give him another £4m to carry on doing that, does he?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Hon Gentleman's strictures are, I think, based on a hypothesis, Mr Speaker, about which I have no information but I regard this as a matter for the company. If there is anything untoward about it I would again expect the Hon Member perhaps to make the information available in confidence to us.

MR SPEAKER:

In the House Members make themselves responsible for the statements that they make and that is what the Member is doing.

HON J E PILCHER:

Mr Speaker, there are two points. First, it might be a hypothetical situation which I have asked the Government to either confirm or investigate and he has said no. Secondly, this money is for the disposal and demolition of the cranes which will be an asset which, technically, belong to the Government of Gibraltar and therefore it is no use us asking the company, it is the Government that is responsible for that not the company. We ask the Government because they are responsible for the assets and the refurbishment which this comes under comes under the Gibraltar Government not the company.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, the Government is not responsible for contractual arrangements entered into by the company, I think that is quite clear.

HON J BOSSANO:

But, Mr Speaker, isn't it a fact that under the law brought by the Government to this House the money from the GSL Special Fund is used either for the purchase of shares or for the Government to pay, independent of who signs the contract, for the Government to pay directly for the cost of renovating and refurbishing the commercial yard? Can the Government say whether this £100,000 that the Hon Member is talking about came from the company's share capital or from the portion of the funds which is the responsibility of the Government of Gibraltar?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I can certainly say that the company's affairs are subjected to fairly close audit and scrutiny not simply by the company's auditors, a very reliable firm, but also, of course, by ODA and ODA consultants who, as one can imagine, take a

fairly close interest in this, Mr Speaker, and indeed, we also know that a Controller has been appointed and, this amongst other things, is something which I would expect the Controller to look into.

HON J BOSSANO:

Mr Speaker, I know the Hon Financial and Development Secretary long enough to know when he is waffling. Can I have an answer to my question? Does he know whether the £100,000 comes from GSL share capital or from the part of the Special Fund which is his responsibility as the Controlling Officer for that Special Fund? If he doesn't know let him say he doesn't know and find out the information.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I don't think the Hon Member has quite got my responsibilities in this matter correct, Mr Speaker. I am responsible for the GSL Special Fund.

HON J BOSSANO:

That is right and I am asking the Hon Member, has the £100,000 been paid by the GSL Special Fund because it comes from the part of the Fund which is a responsibility of the Government of Gibraltar or has that £100,000 been paid by the company as a result of receiving £100,000 in respect of shares sold by GSL to the Government? Which of the two is it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

As far as I am aware the £100,000 has not yet been paid, Mr Speaker.

HON J BOSSANO:

When it does get paid, Mr Speaker, can he tell us whether it is going to be paid by the company from its share capital or by the Government from the available sum for the refurbishment?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I have noted the remarks made by the Hon Leader of the Opposition, Mr Speaker, I think I would leave it at that.

HON J BOSSANO:

No, Mr Speaker, I want an answer to my question and if the Hon Member doesn't know the answer then let him say he doesn't know the answer at this stage but, surely, he accepts that the law requires that the money in that Fund can be used either for the purchase of shares or for meeting

directly expenses which are the responsibility of the Government of Gibraltar. Is this an expense that is attributable to the company payable from its share capital or is it an expense that is part of the refurbishment cost for which the Government of Gibraltar is responsible under the law? Which of the two is it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I don't accept the Hon Member's precise description of the Government's responsibilities in this matter, Mr Speaker, which obviously would have to be tested in law if there is any need so to do but as I have said, I have noted his remarks on this particular point and I have nothing further to add.

HON J BOSSANO:

Then, Mr Speaker, can the Hon and Learned Attorney-General tell the House whether the money in the GSL Special Fund can be used for anything other than (a) the purchase of shares in the company, or (b) meeting the cost of refurbishment of the yard which is a responsibility of the Government of Gibraltar? Can we know, Mr Speaker, for which purpose is it permissible to use the £100,000 in question?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think we would have to look into that, Mr Speaker, it is an academic question.

MR SPEAKER:

Next question.



NO. 118 OF 1986

ORAL

THE HON J E PILCHER

Can Government state how much money has been paid to date for the refurbishment of the Dockyard and is any further expenditure intended?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the total amount spent or committed on the refurbishment of the Dockyard as at the end of May, 1986, was approximately £1.8m. Some additional expenditure is envisaged but this will depend on the availability of funds over the coming year.

SUPPLEMENTARY TO QUESTION NO. 118 OF 1986

HON J BOSSANO:

Then, Mr Speaker, can we take it that the additional £2.4m is not the overrun on refurbishment which is what has been suggested publicly until now?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, the additional £2.4m is really in two parts. About £1.7m is in respect of what I would like to call capital overrun on projects which for the most part form part of the items, I should say, which for the most part form part of the original £28m on the capital side. Then there is another element, £0.7m, making up the balance of the £2.4m, which is in respect of additional capital works which were found to be necessary by the company in the light of the condition of the yard and other factors which became apparent after they commenced operations.

HON J E PILCHER:

Mr Speaker, has the £1.7m already been spent and paid for by the company?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Broadly speaking, yes, Mr Speaker, I cannot say that exactly £1.7m has been spent but the most part of this has been spent and ODA experts came out very early in the year to have a look at this themselves and they judged this amount to be reasonable and with our assistance and with our knowledge this forms part of the case which was put to Her Majesty's Government for further assistance for Gibrepar.

HON J E PILCHER:

Mr Speaker, if I can follow the line of argument. The £1.7m has already been paid by the company. Does this not mean that the financial problems being undergone at the moment by the company could emanate from the fact that they have paid out £1.7m or the equivalent towards the refurbishment of the dockyard which really the Gibraltar Government have to meet and this has come out of the cash flow of the company and this is what is creating the financial problems for the company?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker, that is exactly so. The original split of the £28m provided for a certain amount on capital works and a certain amount for working capital or at any rate there was a distinction between offshore costs, as we and the ODA call it, and local costs which included, of course, a substantial element for the payment of salaries and other local expenditure. What happened was that during 1985 when the various overruns which I have mentioned became apparent to the company and it was found necessary to meet that additional expenditure, with ODA approval some of the money which had been originally allocated for local expenditure was used for capital purposes hence the amount of working capital which was available to the company in 1986 was substantially less, of the order of £1.7m or thereabouts, and it is this, of course, which has contributed to the company's cash flow aggravated, I am bound to say, by the amount of time which it has taken to obtain the release of the £1.7m and, indeed, the balance of working capital which would have been available which was the figure of £300,000 according to the original split a figure which, I think, has been given a certain amount of publicity.

HON J E PILCHER:

So what the Hon Financial Secretary is saying is that the company have had to pay £1.7m from their money towards the refurbishment of the yard which is a Gibraltar Government commitment. As a result of that the company has run into financial difficulties and therefore the problem created a couple of months ago was not directly but indirectly as a result of cash flow.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think it is quite clear from everything that has been said that the company's problems recently have been problems of cash flow, Mr Speaker.

HON J E PILCHER:

So the answer is yes. We come now to a situation where ODA came out and said the £1.7m was reasonable but then withheld the money and the Gibraltar Government is now loaning the company £ $\frac{1}{4}$ m so that they can keep on running towards the cost of £1.7m which is theirs, is this correct or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I cannot understand why the Hon Gentleman seems quite so upset about this but, broadly speaking, that is correct.

HON J E PILCHER:

And you cannot understand why I am upset?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Perfectly well.

MR SPEAKER:

Next question.

NO. 119 OF 1986

ORAL

THE HON J E PILCHER

Can Government state what was the opening net cash position of GSL on the 1st January, 1986?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

No, Sir, the Government considers that this information is commercial in confidence and should not therefore be made public.

SUPPLEMENTARY TO QUESTION NO. 119 OF 1986

HON J BOSSANO:

Mr Speaker, will we not get this when the accounts are published?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

In due course, Mr Speaker, the House will of course get the company's accounts.

HON J BOSSANO:

Presumably, in due course, since we are now six months after the event, means the next meeting of the House in October so it won't be commercial in confidence in October but it is commercial in confidence in July, is that the answer?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The company's accounts will, in due course, show current assets and liabilities, Mr Speaker.

HON J BOSSANO:

It will show, presumably, in the current assets the net cash position at the end of December, 1985, that must be so unless they are changing the accounts. It showed it the last time, Mr Speaker, in the last accounts, in 1984, it wasn't commercial in confidence in 1984. Can the Hon Member explain why it is commercial in confidence in 1985?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is commercial in confidence until it is published, Mr Speaker.

HON J E PILCHER:

Mr Speaker, we have been talking here of . . . . .

MR `SPEAKER:

It is a matter of judgement. Next question.

NO. 120 OF 1986

ORAL

THE HON J E PILCHER

Can Government state how much of GSL's income in 1985 was due to berthing fees?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

No, Sir, this is also a commercial matter for the company and the Government does not therefore propose to provide the information.

SUPPLEMENTARY TO QUESTION NO. 120 OF 1986

HON J BOSSANO:

Mr Speaker, does the Hon Member think that it is proper that the House should be asked to accept figures and not be able to question how those figures are arrived at? Would he not agree, Mr Speaker, that if berthing fees were not included in the original estimates it is legitimate, in order to compare like with like, to know what they amount to now? Why is it that we have to be so secretive about it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, the House approved, I think, or a House approved the setting up of Gibrepair as a private company on the understanding that it would operate in a commercial environment and I think we must accept the consequences of that.

HON J E PILCHER:

Mr Speaker, when the House, the last House accepted that, they did not accept that the company would charge for berthing fees. It was a Gibraltar Shiprepair operation not an operation that would charge berthing fees for ships which were tied down at GSL, in fact, on Gibraltar Government land or water and the fees that are being charged are being charged by the company and not by the Gibraltar Government.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Hon Member wasn't there at the time, Mr Speaker, so I would have to ask Mr Isola and perhaps Bob Peliza and one or two others whether they had that in mind.

HON J E PILCHER:

Has the Hon Member not heard of Hansard, Mr Speaker?

HON J BOSSANO:

Mr Speaker, can the Hon Member confirm whether it is a fact or not that in the projection of the turnover of the company there was no provision initially included for the receipt by the company of berthing fees?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There are many things, Mr Speaker, in the original projections made by the company both as to income and expenditure which in the event, as one would naturally expect for a company, to have turned out rather differently, I never cease taking advantage of the opportunity to remind Hon Members opposite that GSL is not a Government Department, it is not even a Naval Dockyard and it must operate in accordance with commercial conditions.

HON J BOSSANO:

Mr Speaker, does the Hon Member then think that it is right that the House should be told by him that a volume of repair work has been done and that that volume of repair work should include an undisclosed sum for berthing fees which were not originally intended to be there and which he refuses to disclose? Does he not accept that he is misleading the House, that he is giving the House wrong information?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, I am not giving the House wrong information at all, Mr Speaker.

HON J BOSSANO:

Then, Mr Speaker, would the Hon Member not agree with me that if the House is required by its responsibility in this matter to assess the performance of GSL, the House ought to be able to know to what extent it is being subsidised by the Government of Gibraltar, by the Government allowing it to retain berthing fees which properly should be Government revenue as they have been until now?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, the Government is not of the view that the berthing fees which are collected by Gibrepair are Government revenue.

MR SPEAKER:

Next question.

NO. 121 OF 1986

ORAL

THE HON J C PEREZ

Can Government state how much was paid by GSL in respect of municipal rates in the first quarter of 1985 and in the financial year of 1985/86?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, GSL property is covered by a Development Aid Licence under Section 12 of the Development Aid Ordinance 1981 and is, therefore, exempt from the payment of Rates for the first year of the Licence No Municipal rates have been paid by GSL during the 1st Quarter of 1985 nor during the financial year 1985/86.

SUPPLEMENTARY TO QUESTION NO. 121 OF 1986

HON J C PEREZ:

Since that is the position why is it that they haven't been paying any municipal rates in the second year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I take it that the Hon Member means why haven't they been paying rates for the first quarter of 1986 and the reason for that is that there is a provision in the Ordinance that when a development project is beneficially occupied the first annual relief from liability for rates should take effect at the beginning of the next financial year, consequently as GSL property was occupied on the 1st January, 1985, rates will become payable with effect from the 1st April, 1986.

HON J BOSSANO:

Mr Speaker, could I ask the Hon Member to clarify for me, is it the case then when a Development Aid Licence is granted no rates are paid at all even on the existing property or is it that the increased value in respect of which development expenditure takes place is exempt from rates? That is to say, if one has got a building which has currently got a value on it and that value is enhanced, is it on the enhancement that there is rating relief or on the old value?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is in respect of the development, that is to say, the amount of money which would represent the additional development and on that no rates are paid.

HON J BOSSANO:

So then on the original value rates are paid?



HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think, if I can elaborate on that, one has a situation where, shall we say, a hotel is paying rates and there is an extension then it is the amount of the extension which qualifies for rate relief.

HON J BOSSANO:

So, in fact, if the Dockyard had a particular rateable value, a net annual value prior to refurbishment, what is exempt from relief is the increased value produced by the investment in the development not the original value? Surely the original value is still rateable?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Quite different arrangements apply to property which is vested in the Crown, Mr. Speaker, and the Crown is exempt from rates so I don't think that the question of an extension to what had formally been Crown property, in this case, the Naval Dockyard, would be treated in quite the same way as, for example, something like a hotel which had been in private ownership all the time.

HON J BOSSANO:

Mr Speaker, I really don't see what that has got to do with it. Surely, it is the law. Is the Hon Member then saying that the application of Development Aid relief from municipal rates in the case of GSL has been applied differently from what it is applied to any other development in Gibraltar?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, it hasn't been applied differently as far as I am aware.

HON J BOSSANO:

Can I come back to my original question and say, if in fact it was not Crown Property, if you have a private development which has got a net annual value and a certain amount of rates to pay, does the old rates on the building not continue to be paid and the relief is limited to the improved value of the property and to the additional rates? Is that not what the law says?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, not that I am aware of but, of course, the GSL property will be assessed for rates in due course and the Government's Valuation Officer will make an assessment.

HON J BOSSANO:

But isn't this supposed to have happened, Mr Speaker, on the 1st January, 1985, when it ceased to be MOD property?

MR SPEAKER:

A year after.

HON J BOSSANO:

It has to be assessed a year after it ceases to be Crown Property?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, I don't say it has to be assessed, Mr Speaker, but the question is not, I think, directly relevant to GSL's eligibility for rate relief on the expenditure.

HON J BOSSANO:

Mr Speaker, when was the former Naval Dockyard included in the Valuation List, did it not happen when it ceased to be MOD Property?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I couldn't answer that question now, Mr Speaker, obviously we will have to look into that. Naturally, if there is any question of interpretation of the law which might arise here we will look into that as well.

MR SPEAKER:

Next question.

8.7.86

NO. 122 OF 1986

ORAL

THE HON J BOSSANO

Is any limit placed by Government on the amount that an employer can contribute to a pension fund for his employees in order to qualify as a deductible business expense?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

No, Sir, there is no limit placed by Government on the amount that an employer can contribute to a pension fund for his employees in order to qualify for the deduction.

8.7.86

NO. 123 OF 1986

ORAL

THE HON J BOSSANO

Can Government state what is the latest estimate for income tax receipts in 1985/86?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, about £22.4m assuming the Hon Member means 1985/86 financial and not 1985/86 fiscal.

8.7.86

NO. 124 OF 1986

ORAL

THE HON J BOSSANO

Can Government state what is the projected yield from income tax on company profits in the current financial year?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Sir, the estimate for 1986/87 in respect of company tax is £2m.

8.7.86

NO. 125 OF 1986

ORAL

THE HON J BOSSANO

Can Government state how much income tax was paid on company profits in 1985/86 and how this figure compares with the amount paid in 1984/85?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the revised figure in respect of income tax on company profits in 1985/86 is £1.8m as compared with £2.1m for 1984/85.

8.7.86

NO. 126 OF 1986

ORAL

THE HON J BOSSANO

Can Government state what is the latest estimate for import duty receipts in 1985/86?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Sir, the yield from import duties for the financial year 1985/86 was about £8.5m.

8.7.86

NO. 127 OF 1986

ORAL

THE HON J BOSSANO

Can Government state what is the latest estimate for the Consolidated Fund Balance at 31st March, 1986?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

There are still a number of unquantifiable items which make it difficult to provide a reliable figure at this stage, Mr Speaker, but the indications are that the balance in the Consolidated Fund at 31st March, 1986, will be closer to £10m than £9m.



NO. 128 OF 1986

ORAL

THE HON J BOSSANO

Can Government state what was the public debt of Gibraltar on 31st March, 1986, and how this figure compares with the public debt five years previously?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the public debt figures for Gibraltar for the five years ending 31st March, 1986, are as follows:-

1982	£20.6m
1983	£22.5m
1984	£22.4m
1985	£28.9m
1986	£28.4m

As these figures indicate, there was a small reduction in public debt over the past two years and a further reduction to a figure of £27.5m is expected by the end of the current financial year. These reductions are not in themselves significant. What is significant is that Government debt as a percentage of total expenditure, which was 49% in the first year I quoted, and 46% in 1985/86, will fall to about 38% during the current financial year. These ratios compare very favourably with the United Kingdom and other developed nations let alone third world countries. The Government's scope for borrowing, while fully meeting the necessary financial and economic criteria, against the background of expansion in the economy, an increase in disposable incomes, and with improvements in debt management by the Treasury, has therefore increased.

8.7.86

NO. 129 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state what is the total expenditure up to 1985/86 incurred by the Improvement and Development Fund under Head 101 - Housing, which remains to be amortised?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

The total expenditure which remains to be amortised is £7.9m, Mr Speaker. This figure includes the amount that will be amortised in 1985/86.

NO. 130 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government now state over what period of time the external cladding of the Tower Blocks is to be amortised and how much of it has already been charged to the Housing Special Fund?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, expenditure on the external cladding of the Tower Blocks is to be amortized over a 60-year period.

The total which has already been amortized inclusive of the 1985/86 charge is £34,253.

SUPPLEMENTARY TO QUESTION NO. 130 OF 1986

HON J L BALDACHINO:

Mr Speaker, wouldn't the Hon Member consider amortising instead of over a 60-year period bringing it more into line to what he has done with other amortization not of new buildings but, for example, painting, and bringing it more into line with those?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, the Hon Member and I have had many learned discussions on this very subject as I am sure the House will recall and I have in front of me the answer I gave, Question No. 80 of 1985, I think either then or an earlier occasions, in fact, I think then, I explained that there are different periods chosen for depreciation and painting, for example, of a building although it is regarded as a capital nature is amortised over ten years. Expenditure on lifts is amortised over twenty years which is not unreasonable and expenditure on remedial works would also be amortised over twenty years depending on a number of factors one of which would be the life of the building and how long it has already been in existence. As I said, there is nothing rigid about depreciation policy, Mr Speaker, it is a question of judging what life is appropriate for various assets in changing circumstances. I think the point about the Tower Blocks is that they are relatively new buildings, certainly built within the last fifteen or twenty years, I believe, and therefore it is not unreasonable to assume and it is of course only an assumption, that the remedial works which are quite substantial will extend the life of that building and therefore one has chosen a period of sixty years. In the case of a much older building on which remedial works were contemplated, it could very well be more appropriate to use a depreciation of twenty years depending on the state of the building. That, I think, I can only say is a general working rule, Mr Speaker, one would naturally have to change one's view in the light of circumstances and there is nothing rigid about depreciation policy because one has chosen the life of sixty years originally it is not in any way a confession of failure to change it, if

one found that buildings were rapidly decaying one clearly would have to accelerate depreciation for natural commonsense reasons.

HON J L BALDACHINO:

I have had a long explanation, Mr Speaker. Can the Hon Member answer then that even though he is amortising the cladding over a period of sixty years, that does not mean that the building will have an added life of sixty years to the existing one?

MR SPEAKER:

No, with respect, we are not going to debate, we are not going to go any further on this one. It is a matter of judgement in the light of circumstances and Government has decided that in these circumstances it is reasonable to amortise for a period of sixty years, maybe they are wrong but I don't think we can go any further. Next question.

NO. 131 OF 1986

ORAL

THE HON M A FEETHAM

Can Government state to what use is the £2.3m borrowed last year being put?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, in accordance with the provisions of Section 2(1) of the Loans Empowering (1984-1988) Ordinance, 1984, which provides the statutory authority for the borrowing, the funds were paid into the Consolidated Fund and used in aid of the general expenditure of the Government.

SUPPLEMENTARY TO QUESTION NO. 131 OF 1986

HON M A FEETHAM:

I am asking to what use is it being put? Are you saying that it has been put into the reserves, Mr Speaker?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think it is a pointless exercise to try to identify the particular purpose to which the funds are being put, Mr Speaker, as it would be, for example, if one were to try to identify the particular purpose for which revenue raised in direct or indirect taxation were used.

HON J BOSSANO:

Mr Speaker, has there been a surplus of income over expenditure in that financial year or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think the information about the last financial year, Mr Speaker, was provided in the approved estimates and in due course will be in the annual accounts and I think the Hon Member probably knows the answer.

HON M A FEETHAM:

Mr Speaker, what I am trying to get to is what is the logic of putting money into reserves which is not going to be put to use for anything. Why not put it into the Improvement and Development Fund so that one can look at socially acceptable projects?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, the Government is making a contribution in this financial year to the Improvement and Development Fund from general revenues.

HON J BOSSANO:

No, Mr Speaker, the Government is not doing that. Is it not the case that the Government has borrowed £2m this year and is using £1½m of the amount that they have borrowed for the Improvement and Development Fund so what is he talking about general revenues, or is he borrowing money now for general revenue?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I don't accept the implications in the Hon Gentleman's remarks at all. I think he has, if I may say so, a rather narrow view of how Government finances are run.

HON J BOSSANO:

Mr Speaker, is the Hon Member aware that the view that I am reflecting is the view held by every predecessor of his in this House and by him in his first year, that the innovation has been introduced by him in the last twelve months?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

So what, Mr Speaker? It may very well be in the view expressed by Sir Robert Walpole in the 18th century.

HON J BOSSANO:

Mr Speaker, would the Hon Member not agree with me that he would do well to emulate Sir Robert Walpole rather than have to defend as he is going to have to defend later on in this House what he is doing with the money he is borrowing from Indosuez?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am in fact emulating Sir Robert Walpole, Mr Speaker, because those of us with 'O' level English History will probably recall that it was Sir Robert Walpole who first introduced a Sinking Fund.

HON J BOSSANO:

Mr Speaker, did the Hon Member not say before that he had never in his life come across a situation where a Sinking Fund was

provided for a loan, in his contribution in the Budget debate, and did he not intimate, in fact, that he thinks that this is not something that he should follow in Gibraltar?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, I did not say that I thought that this was something I ought not to follow in Gibraltar, Mr Speaker. I may have said that the establishment of a Sinking Fund is unusual in those economies and, I think I am referring mainly to the United Kingdom economy and, indeed, the US economy in present conditions.

HON J BOSSANO:

Mr Speaker, could I ask the Hon Member, returning to the original subject matter of the original question, whether it is in fact the case that the income for the year has indeed exceeded the expenditure and that consequently it must follow that the £2.3m borrowed has not been put to any use so far? Is that the case or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The income for the year has exceeded the estimates, I accept that entirely, Mr Speaker, and the reserves of the Government, that is to say, in the Consolidated Fund are, of course, placed to best advantage.

HON M A FEETHAM:

Mr Speaker, the Hon Member is saying, is he not, that the Government has now got a new policy of borrowing money to leave in reserve, can he confirm that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, I don't think I have said that at all, Mr Speaker, much as the Hon Member undoubtedly would have liked me to have said it.

MR SPEAKER:

Next question.

THE HON M A FEETHAM

Does Government intend to put into effect the European Community 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?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Yes, Sir, but only to the extent that the requirements of the Directive can be reasonably applied and enforced in Gibraltar having regard to the limited resources available and the need to ensure that Gibraltar continues to develop as an offshore centre.

SUPPLEMENTARY TO QUESTION NO. 132 OF 1986

HON M A FEETHAM:

Can the Hon Minister then give some indication of when this is likely to happen?

HON A J CANEPA:

It is not possible to say, Mr Speaker. Whilst work is already in hand on a general review of our companies legislation, what needs to be realised is that Gibraltar doesn't have the administrative machinery of a large country which many of the directives of the EEC pre-suppose and therefore whilst there is every wish to honour our obligations as a Member of the EEC, there are a number of very real constraints which prevent or militate against the automatic or the blind implementation of Community requirements.

HON M A FEETHAM:

Mr Speaker, is the Minister saying then that he has actually made some formal representations to Her Majesty's Government that implementation of this directive in its concluding form as directed by the EEC would be of some harm to Gibraltar's economy or financial centre aspirations?

HON A J CANEPA:

Yes, we have made it clear to the British Government that the automatic implementation of the directive would immediately stunt Gibraltar's development as a financial centre.



HON M A FEETHAM:

Could the Hon Minister inform the House of the reply of Her Majesty's Government?

HON A J CANEPA:

No, that I cannot do.

HON J BOSSANO:

Is the Minister then saying that having made the representations he can then simply not implement the directive and that is the end of the matter?

HON A J CANEPA:

No, of course, it is not the end of the matter. What is happening is that legislation is in draft and it will be the subject of consultation between the Gibraltar Government and the appropriate department of the British Government.

HON M A FEETHAM:

So I take it then that the actual implementation of the legislation in Gibraltar, the final responsibility, would be on the advice sought from Her Majesty's Government?

HON A J CANEPA:

No, the final position will be that the Gibraltar Government has certain realities, there are certain realities that it wishes to have recognised and we will press very hard to have recognition of those realities.

HON M A FEETHAM:

I am fully in agreement with the sentiments expressed by the Minister. All I am trying to get to, if the Minister would give a reply is, if at the end of the day the streamlining of the directive to suit Gibraltar's aspirations is, in fact, in conflict with the principles of the EEC directive, who would be finally responsible for its implementation in Gibraltar?

HON A J CANEPA:

We haven't reached the end of the day. I think we will be very reluctant to bring legislation to this House which runs against the interests of Gibraltar.

HON J BOSSANO:

Mr Speaker, if the British Government determines that it has no choice but to comply with this particular directive, what avenue is open to us here in Gibraltar to do anything about it?

HON A J CANEPA:

We haven't yet reached the stage where we are faced with a black or white situation.

MR SPEAKER:

Next question.

THE HON MISS M I MONTEGRIFFO

Has Government accepted the resignation of the Director of Medical and Health Services?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, whilst the Government has accepted Dr Bacarese-Hamilton's resignation as Director of Medical and Health Services, he has agreed to make himself available during a review of the structure and organisation of the Medical Department Administration that the Government proposes to undertake.

SUPPLEMENTARY TO QUESTION NO. 133 OF 1986

HON MISS M I MONTEGRIFFO:

Mr Speaker, can the Minister explain why the Government has not accepted his resignation yet?

HON M K FEATHERSTONE:

Could you repeat that please, I cannot hear you?

HON MISS M I MONTEGRIFFO:

Has the Minister confirmed that the Government has actually accepted his resignation?

HON M K FEATHERSTONE:

Yes, it has been accepted.

HON MISS M I MONTEGRIFFO:

Can the Minister say when they intend to advertise the post, Mr Speaker?

HON M K FEATHERSTONE:

Dr Hamilton has intimated he is willing to stay on until about December so that there is no need to advertise until October at the earliest.

MR SPEAKER:

Next question.

THE HON R MOR

Can Government state what is the current level of notional gross earnings used in the 'bread-line formula' recently re-introduced by Government?

ANSWERTHE HON THE ATTORNEY-GENERAL

Yes, Sir, the current level of notional gross weekly earnings used in the bread-line formula is broken down into:

- (a) an element for living expenses equivalent to Supplementary Benefit consisting of £41.90 pw for a married couple or £24.25 pw for a single officer;
- (b) a hypothetical rent of basic Government accommodation (2 RKB) of £13.40 pw;
- (c) £7.31 pw in respect of the voluntary Social Insurance contributions (inclusive of Group Practice Medical Scheme) and
- (d) the hypothetical amount of income tax that would be payable to arrive at the total net income derived from these earnings.

The total gross notional weekly income therefore consists of £65.70 for a married couple and £49 for a single person.

8 7 86

NO. 135 OF 1986

ORAL

THE HON R MOR

Does Government accept that additional resources need to be provided to the Education Department to cope with GCSE examinations?

ANSWER

THE HON THE MINISTER FOR EDUCATION, SPORT AND POSTAL SERVICES

Ample additional funding has been made available to both Secondary Schools specifically for GCSE during 1986/87.

SUPPLEMENTARY TO QUESTION NO. 135 OF 1986

HON R MOR:

Mr Speaker, can the Hon Member give an indication of what amount he is referring to?

HON G MASCARENHAS:

Mr Speaker, over and above the very reasonable level of capitation allowances, an extra £10,032 and £9,600 has been available to Westside and Bayside respectively, specifically for books and equipment required for GCSE.

HON R MOR:

Mr Speaker, would the Hon Member say which mode is going to be accepted with the introduction of GCSE?

HON G MASCARENHAS:

Mr Speaker, it does not arise from the question.

MR SPEAKER:

Next question.

8 7 86

NO. 136 OF 1986

ORAL

THE HON R MOR

Can Government confirm that is it not their policy to encourage non-EEC nationals to take up teaching jobs in Gibraltar?

ANSWER

THE HON THE MINISTER FOR EDUCATION, SPORT AND POSTAL SERVICES

Yes, Sir.

THE HON MISS M I MONTEGRIFFO

Is it still Government's intention to assist GASA in the construction of a swimming-pool at the Montagu Bathing site?

ANSWERTHE HON THE MINISTER FOR EDUCATION, SPORT AND POSTAL SERVICES

Yes, Sir.

SUPPLEMENTARY TO QUESTION NO. 137 OF 1986.

HON MISS M I MONTEGRIFFO:

Mr Speaker, can the Minister say whether they are going to financially assist them this year?

HON G MASCARENHAS:

No, Mr Speaker, the question 'Is it Government's intention to assist GASA?' and I have said yes.

HON MISS M I MONTEGRIFFO:

But how will the Government then assist GASA, Mr Speaker?

HON G MASCARENHAS:

Mr Speaker, I have no further information from GASA. The latest position is that they have made an application to the Development and Planning Commission for the construction of the swimming pool, that has been agreed to in principle, a technical matter is still to be resolved and the matter lies with the Director of Crown Lands. Once the application is agreed in toto then, I would imagine, that GASA will approach Government for financial help.

HON MISS M I MONTEGRIFFO:

So really, Mr Speaker, what the Minister is saying is that until GASA asks for the money it will not be forthcoming. When GASA do ask for the money Mr Speaker, will the Government actually provide the money?

HON G MASCARENHAS:

Mr Speaker, the Gibraltar Amateur Swimming Association themselves do not know what the cost of the swimming pool will be.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the Minister hasn't really answered my question. What I have said is, if GASA were to come up and ask for the money would Government be in a position to assist them financially?

HON G MASCARENHAS:

Mr Speaker, it is a hypothetical question, the answer must be yes that we would like to help them as much as possible.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the Minister cannot confirm whether they would actually help them financially, is that the case?

HON G MASCARENHAS:

Mr Speaker, there are no voted funds for this financial year for the construction of the swimming pool.

HON J C PEREZ:

Could the Hon Member confirm that it is in fact the Montagu Bathing site that we are still talking about?

HON G MASCARENHAS:

Yes.

MR SPEAKER:

Next question.



THE HON MISS M I MONTEGRIFFO

Has Government had representations made by the Gibraltar Hockey Association for the requirement of an astro turf pitch?

ANSWERTHE HON THE MINISTER FOR EDUCATION, SPORT AND POSTAL SERVICES

Government has received no written direct representations from GHA as to their requirement for an artificial turf pitch (astro turf or any other trade name). Representations were made by a member of GHA to the Tourism Amenities Committee who have recommended to Government that an artificial turf pitch should be provided for hockey.

SUPPLEMENTARY TO QUESTION NO. 138 OF 1986

HON MISS M I MONTEGRIFFO:

Mr Speaker, can the Minister confirm whether the Government is committed to providing an artificial turf pitch to the Hockey Association?

HON G MASCARENHAS:

No, Mr Speaker, the Government is not committed, the Government has received many verbal representations from GHA but unfortunately the matter is very complex as to the type of artificial turf available on the market today. It is, as I say, a very complex matter, we still do not know because the different turfs available all over the world none of them appear to have been put in countries such as Spain, Greece, anywhere in the Mediterranean, so there is very little experience to go by and therefore the Government is investigating thoroughly what the best turf would be for Gibraltar which would suit our requirements best in respect of our weather, our usage, our usage here is far higher than anywhere else and we have to get it right. I have recently heard that in Portsmouth or one of the local Councils in the south of England has actually had to replace an artificial turf which cost them £350,000 of taxpayers money in three years. That is the position, it is a new concept altogether and we have got to get it right for Gibraltar.

HON MISS M I MONTEGRIFFO:

Mr Speaker, then the Minister is actually saying that the Government is committed to doing it?

HON G MASCARENHAS:

No, we are not committed, we are studying it.

MR SPEAKER:

Next question.

THE HON M A FEETHAM

What is Government's policy in respect of legislation requiring the payment of compensation to those employees made redundant?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

The Government is committed by Community Law to introduce legislation to protect employees in the event of the insolvency of their employers. A preliminary draft Bill has already been prepared for this purpose and the Government hopes to be in a position to bring the Bill before the House after the summer recess.

The Government has not formulated a policy on the wider issue of introducing legislation for the payment of compensation to employees made redundant. Before doing so, it would wish to consider the recommendations of the Conditions of Employment Board which is the body which normally deals with such matters in the first instance.

NO. 140 OF 1986

ORAL

THE HON M A FEETHAM

What is Government's policy on the introduction of legislation establishing a national minimum wage?

ANSWER

THE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

The question of introducing legislation for a national minimum wage was first raised at a meeting of the Regulation of Wages and Conditions of Employment Board held on 25 February, 1986. The matter was discussed in general terms and it was agreed that a further meeting should be held to discuss it again after members of the Board had had an opportunity to consult the organisations they represent.

SUPPLEMENTARY TO QUESTION NO. 140 OF 1986

HON M A FEETHAM:

What I am asking is has Government got a policy on this?

HON DR R G VALARINO:

Sir, the Government has not yet formulated a policy on the introduction of legislation establishing a national minimum wage, it is obviously still awaiting the recommendations of the Board.

MR SPEAKER:

Next question.

NO. 141 OF 1986

ORAL

THE HON M A FEETHAM

Can Government state whether Gibraltarians and other Community Nationals who are frontier workers are permitted to register as seeking employment on becoming unemployed in Gibraltar?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Gibraltarians and EEC Nationals who are frontier workers are permitted to register as seeking employment on becoming unemployed in Gibraltar. This does not apply to Spanish, Portuguese or Greek frontier workers who do not have the right to seek and take up employment in Gibraltar during the respective transitional periods agreed with the Community, ie 7 years in each case, dating from 1 January, 1981, in respect of Greek nationals and 1 January, 1986, in respect of Spanish and Portuguese nationals. Spanish, Portuguese and Greek unemployed frontier workers still have access to those vacancies which cannot be filled by 'residents of Gibraltar' (as defined in the Employment Ordinance) if they call at our Central Employment Exchange. These vacancies are communicated on a weekly basis to the Spanish Employment services in the Campo Area and offered to those persons who register there. Government has already decided that Moroccans who register in Gibraltar as seeking employment should be regarded as part of the local labour market for a period of up to 6 months.

SUPPLEMENTARY TO QUESTION NO. 141 OF 1986

HON M A FEETHAM:

Mr Speaker, as I understand it what the Minister is saying is that Spanish, Portuguese and Greek nationals who are frontier workers who have acquired a work permit during the seven year transitional period and become unemployed, haven't got the right to register as unemployed in Gibraltar having already worked in Gibraltar and having had a work permit to do so?

HON DR R G VALARINO:

Yes, Sir, this is essentially because once they become unemployed they are entitled to Unemployment Benefit from the country of residence.

HON J BOSSANO:

Mr Speaker, isn't that equally true of other EEC nationals who are

not subject to the seven year transitional period?

HON DR R G VALARINO:

Like which?

HON J BOSSANO:

Mr Speaker, is it not true that a Gibraltarian frontier worker under EEC Rules is entitled to Unemployment Benefit in Spain if he is resident in Spain?

HON DR R G VALARINO:

Yes, he is.

HON J BOSSANO:

Then, Mr Speaker, if both are in exactly the same situation why is it that the Minister has just given as the reason the fact that one is entitled to Unemployment Benefit implying the other one was not?

HON DR R G VALARINO:

I think you have to divorce both facts, one is a fact of being able to get Unemployment Benefit and the other one is a fact that you are able to register. We are allowing Gibraltarians and EEC nationals to register here in Gibraltar. I agree with the Hon Member that there are Gibraltarians who are residing on the other side but for reasons of, shall we say, benefit to the community in general, Gibraltarians are able to register here when they cease to be employed and other EEC nationals.

HON J BOSSANO:

Mr Speaker, can he say when did the Department start allowing other EEC nationals to register?

HON DR R G VALARINO:

As far as I can remember, Mr Speaker, this has come fairly late and I would have thought is a question of merely a couple of months.

HON J BOSSANO:

But is the Hon Member not aware that up to May the Department was refusing to register UK nationals who became unemployed and were resident in Spain?

HON DR R G VALARINO:

Yes, Sir.

HON J BOSSANO:

Can he say then, is it that they were doing it wrongly and the matter has now been corrected?

HON DR R G VALARINO:

No, Sir, the matter was not being done wrongly except that we thought we would make an exception in the case of Gibraltarians.

HON J BOSSANO:

Has the Hon Member not said that the reason why he is not allowing unemployed Spanish nationals to register as seeking work is because they are subject to a seven year transition period? If that is the case can he explain why he is not allowing unemployed Englishmen to register for work?

HON DR R G VALARINO:

I did that at the beginning, if I may repeat my original answer. Gibraltarians and EEC nationals who are frontier workers are permitted to register as seeking employment on becoming unemployed in Gibraltar.

HON J BOSSANO:

Therefore I am telling the Hon Member, when did he start doing that since up to the end of May, according to his Director, they were being refused?

HON DR R G VALARINO:

It was early June, Mr Speaker.

HON J BOSSANO:

I suppose by a process of natural deduction, Mr Speaker, Can he say then whether in May the Department was therefore wrongly depriving EEC nationals who are not subject to the seven year transition period from registering as seeking employment.

HON DR R G VALARINO:

No, Sir, the Department was not wrong in doing this except that we

have reconsidered the situation and we have taken a decision as to what Gibraltarians and EEC nationals should do when they cease to remain unemployed.

HON J BOSSANO:

Mr Speaker, is it not the case that Section 15 of the Employment Ordinance says that there shall be a Register kept in the Employment Exchange and that any person who has requested that his name shall be included on the Register shall be deemed to be able and willing to take up employment and that there is no indication there that the Department has got the right to refuse to include anybody because of a seven year transition period?

MR SPEAKER:

You don't have to answer that, you are being asked to interpret the law.

HON J BOSSANO:

Mr Speaker, can I then ask the Hon Member what authority he has under which law to refuse people a right that is apparently contained in Section 15 of the Employment Ordinance?

HON DR R G VALARINO:

We are talking about no laws here, Mr Speaker. To allow Spanish, Portuguese or Greek frontier workers to register would not serve any useful purpose and would only create problems of an administrative nature. The fact remains that until the expiration of the transitional period these workers have no right to seek or take employment in Gibraltar. It would be of no benefit to them to register in Gibraltar as, in accordance with the Employment Ordinance, they would still only have access to those vacancies which could not be filled by residents of Gibraltar.

HON J BOS SANO:

Mr Speaker, independent of the opinion of the Hon Member, can the Hon Member say under the authority of which law is he depriving people of a right apparently contained in Section 15 of the Employment Ordinance?

HON DR R G VALARINO:

Mr Speaker, this is obviously a question of law and I am afraid I cannot answer. I would have to ask further counsel from the Attorney-General's Chambers to reply to Mr Bossano.

HON J BOSSANO:

Mr Speaker, would the Hon Member not agree that however desirable or undesirable he may feel it is, if it is established that somebody who has been working in Gibraltar for a considerable time, for example, this week two people working a year and a half in Gibraltar having become unemployed have been refused the right to register seeking another job? Does the Hon Member think that that is conducive to good neighbourly relations?

HON DR R G VALARINO:

Mr Speaker, first of all, he has not mentioned the nationality of these two people.

HON J BOSSANO:

I would have thought it was quite obvious.

HON DR R G VALARINO:

I reiterate that the fact remains that until the expiration of the transitional period these workers have no right to seek or take up employment in Gibraltar and it would be of no benefit to them to register in Gibraltar in accordance with the Employment Ordinance and as a Gibraltarian I feel that my prime target is to make sure that Gibraltarians are working and I will do my utmost to make sure that it is to the Gibraltarians that I will turn and try to find as many jobs as possible and not to anybody else either in the neighbouring region or elsewhere. So my prime and my only consideration is Gibraltarians, whatever they cannot do then I will look for it elsewhere. If Mr Bossano is trying to push up the claim of our neighbours and trying to get in a Spanish landslide then it is up to him.

HON J BOSSANO:

Mr Speaker, I am not sure what kind of rebuff that deserves from the Hon Member. Can the Hon Member confirm that his Department granted 500 new work permits last year for new people, his Department, can he confirm that?

HON DR R G VALARINO:

Certainly, Mr Speaker, I will confirm that because those 500 new permits were unable to be filled by Gibraltarians. They were needed urgently especially in things like the building trade, the catering trade and things like that. We had no Gibraltarians and it was a matter of urgency to fill up these vacancies for the benefit of the economy of Gibraltar. If the Hon the Leader of the Opposition now wants not only to destroy the economy and have



an influx of Spaniards it is up to him.

MR SPEAKER:

Order. With respect, we have now got to the stage when we are not being informative, we are now going into matters of policy.

HON CHIEF MINISTER:

I have never seen the Leader of the Opposition so concerned for our neighbours before.

HON J BOSSANO:

The Hon and Learned the Chief Minister may have an attitude and I am at Question Time seeking information on policy from the Government, I am not here to make statements. If he wants we can have a debate on this issue and I can tell him where I stand on all the things that he is doing wrong in Gibraltar, including this. What I am asking the Hon Member is, is it not the policy of the Government that somebody who has worked for a certain amount of time in Gibraltar, given that he is issuing new permits to new people, should have an opportunity to seek employment since they have already been established here and worked here and contributed here? What is so unfair or unreasonable about that?

MR SPEAKER:

I think the answer has been given, the answer is no.

HON J BOSSANO:

Then, Mr Speaker, what I would like to ask the Government, will they look into, in view of the points that have been made, whether they are entitled under the Community obligations to continue to deprive people of this right that they appear to have in law and if they find that they are not entitled to deprive them will they correct it?

HON DR R G VALARINO:

Mr Speaker, I give the Hon the Leader of the Opposition that undertaking.

MR SPEAKER:

Next question.

THE HON J L BALDACHINO

Is Government satisfied that the figure of 46 frontier workers as shown in the October 1985 Employment Survey is an accurate reflection of the number of Gibraltarians living in Spain and working in Gibraltar?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Sir, I am not fully satisfied because the figures contained in the Employment Survey reports relate to employees only. They exclude employers and the self-employed. Although compulsory, the survey does not normally achieve a full count, nor is there any guarantee that all employers complete the relevant forms, providing all the details required on residential status. The figures nevertheless are useful in monitoring trends, even though they would tend to under-estimate the position.

SUPPLEMENTARY TO QUESTION NO. 142 OF 1986

HON. J L BALDACHINO:

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?

HON DR R G VALARINO:

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.

MR SPEAKER:

Next question.

NO. 143 OF 1986

ORAL

THE HON R MOR

Between 1955 and 1969, what was the total amount of:

- a. Spaniards' contributions to the Social Insurance Fund, and
- b. benefits paid to Spaniards?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, the answer is:-

- (a) £787,386.
- (b) £249,156.

8 7 86

NO. 144 OF 1986

ORAL

THE HON R MOR

What has been the total amount of pensions paid to Spaniards up to 30 June, 1986?

ANSWER

THE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

The total amount paid to Spanish pensioners from 1 January to 30 June, 1986, was £3,101,184.

SUPPLEMENTARY TO QUESTION NO. 144 OF 1986

HON R MOR:

Mr Speaker, does this figure include the £55,000-odd that were stolen?

MR SPEAKER:

Next question.

NO. 145 OF 1986

ORAL

THE HON R MOR

What progress has been made in discussions with the British Government to obtain further aid from ODA to meet the cost of Spanish pensions beyond 1988?

ANSWERTHE HON THE CHIEF MINISTER

Sir, as stated in the Press Release issued by the Government on 23 December, 1985, British Government and Gibraltar Government officials will carry out a review which will form the basis of discussions between the two Governments as to how Spanish pensions should be funded beyond 1988. The terms of reference for this review are currently under discussion.

8 7 86

NO. 146 OF 1986

ORAL

THE HON R MOR

Have Government plans to paint or re-surface the playground at Bayside Comprehensive School?

ANSWER

THE HON THE MINISTER FOR PUBLIC WORKS

The school was painted last year. It is intended to resurface the playground this year.

NO. 147 OF 1986

ORAL

THE HON J C PEREZ

When does Government intend to commence works on the corridors of the Police Barracks now that funds for this purpose have been approved by the House?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Tenders for the repairs of the corridors at Scud Hill Police Barracks will be obtained next month and it is expected that the works will be completed by late September.

The repairs to the Castle Road Police Barracks are more complicated and it is considered that tenders should be sought later this year when the Public Works Department has assessed the outcome of the smaller project at Scud Hill.

SUPPLEMENTARY TO QUESTION NO. 147 OF 1986

HON J C PEREZ:

Has the Hon Member considered whether the Department was capable of carrying out the work itself prior to deciding to put the work out to tender?

HON MAJOR F J DELLIPIANI:

The work cannot be carried out by the Department and even if it could, if it had the resources to do it, we would prefer it to be a clinical job, a quick in and out job and not spread it out over a couple of months.

MR SPEAKER:

Next question.

8 7 86

NO. 145 OF 1986

ORAL

THE HON J. L. BALDACHINO

When does Government intend to put to tender the construction of the extra flats in Laguna Estate?

ANSWER

THE HON THE MINISTER FOR PUBLIC WORKS

The drawing and other design aspects are being prepared and tenders are programmed to be invited early in October 1986.



NO. 149 OF 1986

ORAL

THE HON J C PEREZ

Can Government state when they intend to commence Phase I of the Road Works Programme?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Phase I of the Road Works Programme commenced late May 1986 with the resurfacing of Tuckey's Lane. At present Library Street and part of Cannon Lane are being resurfaced.

SUPPLEMENTARY TO QUESTION NO. 149 OF 1986

HON J C PEREZ:

Mr Speaker, can the Hon Member explain why it is that the Department has decided to change the Programme that they originally had?

HON MAJOR F J DELLIPIANI:

Yes, Mr Speaker. For example, when I quoted Library Street there was a lot of work done in connection with Hadfield House and it is in a very bad state because of the heavy trucks used in the area so we have slightly changed the programme. If the Hon Member wishes I will send him the new phasing of the complete programme.

HON J C PEREZ:

Could the Hon Member explain when it is that they intend to start work on Main Street which was the first item to be undertaken under the original programme?

HON MAJOR F J DELLIPIANI:

Yes, Sir. That is one of the changes that we have done in the phasing, Main Street originally was in the first Phase. It has now become the second Phase and it is intended to start work around September. In September the peak period of the tourist season dies out slightly but at the moment it is almost impossible to do any work in Main Street.

HON J C PEREZ:

I can take it then, Mr Speaker, that if they are to go ahead with the resurfacing of Main Street that any plans for the paving and pedestrianisation of Main Street will not now proceed?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I don't think that the Gibraltar Government has the resources to do the proper pedestrianisation of the whole of Main Street at the moment. We are, however, studying a slight offshoot of Main Street where we could possibly experiment

but it is a very extensive programme and I think it is something for the future but we are trying to experiment with a small area around Main Street.

MR SPEAKER:

Next question.

NO. 150 OF 1986

ORAL

THE HON J C PEREZ

Has Government filled in all the posts of lifeguards for this year?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

There are 13 lifeguards in post at present out of a complement of 17. The remaining 4 will be employed next week.

However, Mr Speaker, since this answer was prepared, we had five applications for these four posts, two did not turn up for the interview, one was not trained but said he would like to be trained for next year and we were left with two. We will probably have to re-advertise again for the other two.

SUPPLEMENTARY TO QUESTION NO. 150 OF 1986

HON J C PEREZ:

Has the Hon Member found it necessary to have to train people to the standard required by the Department so that they would be able to qualify for the job?

HON MAJOR F J DELLIPIANI:

Yes, we have been persistently asked, I think, in the past, by the Hon Member opposite that our lifeguards should be trained to a certain standard. We are certainly not going to lower our standards. What we have said is that we are always prepared to train people who are not qualified and it is hoped, after the summer months, that we will recruit on a permanent basis ten lifeguards who we will be able to deploy to other duties. We will negotiate the conditions with the union where we could really have flexibility with these ten people who will have nothing to do during the winter months unless there is a certain amount of flexibility.

MR SPEAKER:

Next question.

NO. 151 OF 1986

ORAL

THE HON J C PEREZ

Can Government state what is the annual revenue derived from advertisements displayed around Gibraltar, the sole concession of which is held by one company?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

The annual revenue derived from these advertisements was as follows:-

1983/84	£514
1984/85	£620
1985/86	£646

However there is a second source of income ie revenue derived from advertisements on litter bins. The litter bins are provided and maintained by the company at its own cost. Annual revenue obtained from this source has been:-

1981/82	£ 77
1982/83	£215
1983/84	£ 30
1984/85	£180
1985/86	£240

SUPPLEMENTARY TO QUESTION NO. 151 OF 1986

HON J C PEREZ:

Mr Speaker, can the Hon Member explain whether this is a percentage of what the company actually charges its clients or whether it is a standard rate that is paid to the Government?

HON MAJOR F J DELLIPIANI:

Mr Speaker, that is a fair question to ask as a supplementary but, quite frankly, I haven't got the details. If the Hon Member will have patience with me or care to call at my office I will give him all the necessary information on both contracts.

HON J C PEREZ:

Mr Speaker, is the Hon Member in a position to state whether the concession that was granted at the time was restricted to certain areas or whether there is a body in the Government that needs to approve new areas for advertisements or whether the company has a free hand in deciding where it advertises?

HON MAJOR F J DELLIPIANI:

Mr Speaker, all advertising locations have to be approved by the Development and Planning Commission.

HON J C PEREZ:

Mr Speaker, is the Hon Member aware that from one sole advertisement by the Victoria Stadium facing the airfield which is something the company is going to start now, the company is charging one client £250 a month?

HON MAJOR F J DELLIPIANI:

No, Mr Speaker, I was not aware. The last time that the agreement was reviewed took effect on the 1st September, 1985. I don't know when the next review is but bearing in mind the figure that the Hon Member has supplied we will review in an upwards trend.

HON J C PEREZ:

Mr Speaker, does the Government feel that for the sake of deriving in revenue in 1985/86 following the Government's figures, £800 to £900, that we should put up with the fact that there are advertisements all around Gibraltar which is not necessarily a nice thing either for the citizens living here or for the tourists?

HON MAJOR F J DELLIPIANI:

Mr Speaker, the first part of the question has a logical explanation. The second part of the Hon Member's question is a question of opinion whether it is nice or not nice. On the first part, Mr Speaker, it is not only a question of revenue that the company provides. The company provides also and I don't know the figures, for so many advertising places that we are allowed to give him, he provides free directional signs, maps, etc, so apart from the revenue derived we get certain benefits in that he provides some very good directional advertising to our tourists.

HON J C PEREZ:

Mr Speaker, when the concession expires, will the Hon Member commit himself to put the concession out to proper tendering?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I think that when the concession expires I will not be sitting in this House so I cannot give such a commitment.

HON J C PEREZ:

Perhaps the Government can give a commitment on that?

HON MAJOR F J DELLIPIANI:

We cannot give a commitment because none of us might be sitting here.

MR SPEAKER:

Next question.

NO. 152 OF 1986

ORAL

THE HON M A FEETHAM

Can Government confirm that in order to be on the list of approved Government contractors the applicant is required to be in possession of the relevant trade licence?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Applications are referred to the Trade Licensing Authority for clearance before the submission is considered by the Public Works Department.

SUPPLEMENTARY TO QUESTION NO. 152 OF 1986

HON M A FEETHAM:

So the Government is confirming it?

MR SPEAKER:

Yes, he has said yes.

HON M A FEETHAM:

Can the Hon Minister then confirm that Dragados y Construcciones is on the list and has got a trade licence therefore?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I believe so, in fact, I am almost sure. I think what the Hon Member opposite doesn't realise is that Ministers do not sit on the Board which issues the licences so I can only talk from hearsay, quite reliable hearsay, but I haven't actually seen the list of traders because Ministers do not get involved in the selection of firms.

HON M A FEETHAM:

What I am asking the Hon Member is, is he aware since his Department approves contractors for Government contracts, is his Department aware whether Dragados y Construcciones have, in fact, got the relevant trade licence?

HON MAJOR F J DELLIPIANI:

Mr Speaker, following from the reply to Question No. 152, I think that what it said is that the thing is considered after clearance by the Trade Licensing Authority. However, I will check for the Hon Member whether this has been done, whether in fact Dragados y Construcciones have a licence. Will the Hon Member be satisfied with that?

HON M A FEETHAM:

Yes, I would be satisfied with that. Why I am asking, Mr

Speaker, is because I understand the licence was transferred to Dragados y Construcciones. Therefore can the Minister confirm that once a transfer of a licence has been made that the previous contractor on the list is therefore deleted from the Government approved list of contractors?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I will check on the question and give a proper reply to the Hon Member.

HON M A FEETHAM:

Whilst the Minister is doing that, could the Minister also check then that since I understand that Wilkie Construction transferred its licence to Rosemary Construction - I am only trying to seek information to put the matter up-to-date - whether in fact Wilkie Construction still remains on the Government list of approved contractors as published in the Gazette?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I will so do.

MR SPEAKER:

Next question.

NO. 153 OF 1986

ORAL

THE HON J C PEREZ

Can Government state how many contractors have been removed from the PWD approved list for failing to comply with the Fair Wages Clause?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

No instructions have been received from the Director of Labour and Social Security to remove any contractors from the approved list.

SUPPLEMENTARY TO QUESTION NO. 153 OF 1986

HON J C PEREZ:

Is the Hon Member aware that that was what the Director of Labour told the construction companies concerned in a letter to them last month?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I am not aware of any letter, what I am aware of is the information that I have been supplied by the Director of Labour and Social Security at this stage and this is the answer I have given the Hon Member.

HON J C PEREZ:

Can anyone in the Government give me an answer on that? Surely, someone should know what is happening.

HON CHIEF MINISTER:

The Director.

HON J C PEREZ:

But there is a Minister responsible over that Director.

HON CHIEF MINISTER:

The Hon Member must realise that Ministers cannot know the details without notice. He has answered the question in the terms of the reply given by the Director. Of course, if there is a letter it will be enquired into but you cannot expect just one Minister to be responsible for the details of all the Departments.



HON J C PEREZ:

To say that notice has not been given is not true. Notice was given of this question. If the Government by accident pass it to the wrong Minister it is not our fault because if it is the Director of Labour who is carrying out this then perhaps the question should have been passed on to Dr Valarino and not to Major Dellipiani.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I think actually though the question might have to be prepared by the Director of Labour and Social Security it only concerns the Public Works Department no other Department because we are talking of the approved list for works that concerns the PWD so I think it was fair for me to answer the question. I am aware that the Director of Labour and Social Security is in correspondence with representatives of a particular firm which might have been required to be struck off and there are some legal arguments involved so the Director does not want to go ahead with the deletion of any company until the legal arguments have been cleared. That is the latest thing that I know about this but not because I have seen it but because I am in the building and I hear things.

MR SPEAKER:

Next question.

8 7 86

NO. 154 OF 1986

ORAL

THE HON' J E PILCHER

Can Government confirm that the current estimates of tourist expenditure in Gibraltar during 1985 is £25m?

ANSWER

THE HON THE MINISTER FOR TOURISM

Sir, the latest official estimates reveal that tourist expenditure for 1985 was in the order of £21m to £23m. The final estimates will be published in the Tourist Survey later this year.

THE HON. J. E. PILCHER

Can Government state whether they intend to continue with the Tourist Consultative Board and, if so, what will be its future function?

ANSWERTHE HON. THE MINISTER FOR TOURISM

Sir, it is Government's intention to continue with the Tourism Consultative Board and its functions will remain unchanged as constituted under the Pitaluga Report.

SUPPLEMENTARY TO QUESTION NO. 155 OF 1986

HON. J. E. PILCHER:

When, therefore, Mr Speaker, is going to be the next meeting of the Tourism Consultative Board which should meet regularly and hasn't, in fact, met for the past nine months at least?

HON. H. J. ZAMMITT:

That is not true, Mr Speaker, the Consultative Board met about six weeks ago.

HON. J. E. PILCHER:

Is it now the case that the Tourist Consultative Board will meet regularly, Mr Speaker?

HON. H. J. ZAMMITT:

We are endeavouring, Mr Speaker, to have more regular meetings of the Consultative Board.

HON. MISS M. I. MONTEGRIFFO:

Mr Speaker, can the Minister state what the Government policy is on the future of the Environment and the History and Heritage Committee and can he also explain to the House what are the problems members of both Committees have recently alleged publicly in relation to Government unwillingness to publish their Reports which were presented two years ago?

HON. H. J. ZAMMITT:

Mr Speaker, it is not part of the question and therefore I have to speak purely from memory and not from detailed information afforded by my Department. I understand that there is some resentment amongst the various Committees in the tourism set-up which we are trying to overcome. I think that the matter of making public the recommendations of all the Consultative Boards and all the other Committees will inevitably have to occur but until the Government has been able to analyse each individual item, evaluate it, cost it and see what it can or cannot do, I think it would be wrong to make it public without the Committee

members themselves knowing what the Government's attitude towards their recommendations might be.

HON MISS M I MONTEGRIFFO:

Mr Speaker, does the Minister accept their allegation as well that the sole purpose of the Government is to actually put out to tender private development without consulting Government created committees?

HON H J ZAMMITT:

I am sorry, I am afraid I didn't understand and it seems to be quite a delicate one, Sir.

HON MISS M I MONTEGRIFFO:

Does he accept their allegations that it was published in a local newspaper last week that the Government's sole purpose is to put out to tender private development without actually consulting Government created committees?

HON H J ZAMMITT:

I think the History and Heritage Committee which is quite vociferous would like more participation from the conservationist point of view, if that is what the Hon Member is referring to. They would like to have much more involvement as to the conservation aspect of Gibraltar but that is not really a matter for the Tourist Office, it is a matter for the Land Board, the Development and Planning Commission and Government as a whole.

MR SPEAKER:

Next question.

NO. 156 OF 1986

ORAL

THE HON J E PILCHER

Can Government state how many of the 19 items submitted by the Chamber of Commerce to the Minister for Tourism and which the Minister committed himself to do in the current financial year, have been commenced?

ANSWERTHE HON THE MINISTER FOR TOURISM

Sir, a substantial number of items of the recommendations submitted by the Chamber of Commerce have been or are in the process of being implemented. There are other items, on which no action has been taken, which are being studied by Government.

SUPPLEMENTARY TO QUESTION NO. 156 OF 1986

HON J E PILCHER:

Can the Minister enumerate which are those items that have been commenced?

HON H J ZAMMITT:

Mr Speaker, I have quite a long list here. I can of course read them out with your indulgence or if the Hon Member would like me to give him a copy of the supplementaries which I have.

HON J E PILCHER:

Perhaps he will put with that copy the copy of the recommendations of all the Tourist Boards which he promised me at the last House.

HON H J ZAMMITT:

I think the Hon Member has, without me giving him them, he has them already, Mr Speaker.

MR SPEAKER:

Next question.

NO. 157 OF 1986

ORAL

THE HON J C PEREZ

Will the Minister responsible for Traffic explain why legislation to allow the Motor Vehicle Test Centre to operate fully has not been brought to this meeting of the House?

ANSWERTHE HON THE ATTORNEY-GENERAL

I am responsible for legislation that is why I am answering the question.

The final draft of the Bill was received from Sir John Spry on the 25th June last. The bulk of the subsidiary legislation was received on the 1st July last. The draft of one set of regulations is still awaited.

The Government has not yet had the opportunity of considering these drafts.

As the major part of the legislation is now in Gibraltar there should be no problem in bringing the Bill to the House at the first meeting after the Summer recess.

SUPPLEMENTARY TO QUESTION NO. 157 OF 1986

HON J C PEREZ:

Mr Speaker, if you will allow me to, I did ask directly the Minister responsible for Traffic because it was he who committed himself that the legislation would be brought to this meeting of the House.

HON ATTORNEY-GENERAL:

Certainly he has done everything he can to push me and I have done everything I can to push the draftsman.

MR SPEAKER:

Next question.

8 7 86

NO. 158 OF 1986

ORAL

THE HON J ROSSANO

Has Government now taken a policy decision not to increase the number of taxi licences?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

No, Sir. A decision will be taken once the agreement reached with the GTA expires in November.

NO. 159 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state how many of its dwellings do not have running water?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

According to the census of Gibraltar 1981, there were 106 households without running water. Since then this figures has been significantly reduced. Between 20 and 25 installations have been or are being undertaken.

SUPPLEMENTARY TO QUESTION NO. 159 OF 1986

HON J L BALDACHINO:

Does Government intend to install running water in the remainder of the dwellings?

HON M K FEATHERSTONE:

Sir, the Department's policy is to help tenants in the installation of potable water. Consequently tenants who are prepared to carry out their own installation are provided with the necessary pipes, fittings, etc, free of charge.

MR SPEAKER:

Next question.



NO. 160 OF 1986

ORAL

THE HON J L BALDACHINO

Has Government now made up its mind on what measures it needs to introduce to monitor the reserve funds that landlords are required to set up under Part III of the Landlord and Tenant Ordinance?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

The monitoring system to be introduced is currently being prepared by the Housing Department in consultation with Treasury.

SUPPLEMENTARY TO QUESTION NO. 160 OF 1986

HON J L BALDACHINO:

Does the Hon Member have any idea when the Government will be in a position to introduce those measures?

HON M K FEATHERSTONE:

Sir, it is proposed to introduce a simple system, easy for landlords to operate and only requiring the minimum administrative resources. We hope that they will be ready by the autumn.

NO. 161 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state how many dwellings of its housing stock are considered to be sub-standard?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

No Sir, this information is not available.

SUPPLEMENTARY TO QUESTION NO. 161 OF 1986

HON J L BALDACHINO:

Will Government introduce some sort of survey to find out how many of its housing stock is sub-standard?

HON M K FEATHERSTONE:

The Department of Environmental Health can look into this but to survey every building of Government property would be a lengthy and time consuming process and also considerably costly. I will, however, see that the most serious cases are brought to attention.

HON J BOSSANO:

A survey of the Government pre-war housing stock was conducted some time ago I think when the City Plan was published and it referred to it there. Does the Government not think that if one goes from that information that it is possible to draw an update on that?

HON M K FEATHERSTONE:

That is about ten years old, it is possible to do an update on it and I will see if something can be done.

MR SPEAKER:

Next question.

THE HON J L BALDACHINO

Can Government state if there are any unallocated post-war Government dwellings?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

There are two unallocated post-war dwellings. Both are retained by the Establishment Officer for the purpose of decanting two Government pensioners occupying Government Quarters.

SUPPLEMENTARY TO QUESTION NO. 162 OF 1986

HON J L BALDACHINO:

Mr Speaker, is the Hon Member saying that at least the two I know which are in the Tower Blocks which were made available to the workers doing the cladding have already been allocated or are those not included?

HON M K FEATHERSTONE:

I think those must be the two you are referring to.

HON J L BALDACHINO:

The two allocated at the Tower Blocks and as I understand it those two will be given as Government Quarters, is that correct?

HON M K FEATHERSTONE:

They are to decant Government pensioners who are at the moment living in Government Quarters.

MR SPEAKER:

Next question.

NO. 163 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state: (a) how many applicants there are in the Housing Waiting List, and (b) a breakdown of the number of applicants in the various categories, ie 2 RKB, 3RKB, etc?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Yes, Sir, the answer is:-

Bedsitter	259
2RKB	405
3RKB	717
4RKB	566
5RKB	75
6RKB	4
TOTAL	<u>2026</u>

NO. 164 OF 1986

ORAL

THE HON J L BALDACHINO

Will Government consider placing outside the Housing Department a list with the names and points of successful applicants when allocated a Government dwelling under the pointage system?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

No, Sir.

SUPPLEMENTARY TO QUESTION NO. 164 OF 1986

HON J L BALDACHINO:

Can we have the reason why not, Mr Speaker?

HON M K FEATHERSTONE:

It would be extremely difficult to implement such a system successfully as the ripples created by the application of the musical chairs system would only contribute to confuse the public. It is well known that the list with the first 50 applicants with the highest points in each category are posted outside the Housing Department.

HON J L BALDACHINO:

Surely everybody is entitled to know who has been allocated a house and with how many points. The musical chairs system, if I might add, does not come into it because all the musical chairs system is doing is bringing somebody out of a four-roomed flat and putting him in a bedsitter and that four-room flat will go to somebody under the pointage system, is that correct?

HON M K FEATHERSTONE:

It would be rather invidious to do it because if the person who is allocated a flat is not the top one of the list because, perhaps, the top one of the list has refused the flat, etc, questions will then come up: 'Why has the second one got it? Why has the third one got it? It would make a lot of confusion in the mind of the public and it is not thought conducive to the best operation of the system so to do.

HON J L BALDACHINO:

Will the Hon Member then be prepared to give me the list when a

dwelling is allocated under the pointage system as was previously offered to the Opposition in 1982?

HON M K FEATHERSTONE:

Yes, Sir.

MR SPEAKER:

Next question.

THE HON R MOR

Have Government reviewed the regulations on Rent Relief as applied to private tenants?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Yes, Sir. Regulation 7 of the Landlord and Tenant (Rent Relief) (Terms and Conditions) Regulations was amended in December, 1985.

Under Proviso (C) of this Regulations, tenants who have been living in premises before 1 January, 1984, are now eligible for Rent Relief.

Prior to this amendment the effective date was 23 April, 1959.

SUPPLEMENTARY TO QUESTION NO. 165 OF 1986

HON R MOR:

Mr Speaker, if the Hon Member will recall, we had a debate on rent relief as applied to private tenants in October, 1984, and the Government undertook to look into some of the points raised by the Opposition and if I can recall one point was that those tenants in furnished accommodation the Government was prepared to look at whether they could be allowed rent relief or not because under the present system they are not allowed?

HON M K FEATHERSTONE:

Yes, Sir, further consideration is being given to tenants living in furnished accommodation. This, however, is a more complicated matter but it is intended to amend the Regulations to allow rent relief assessed as if the premises have been left unfurnished to be introduced.

MR SPEAKER:

Next question.

THE HON MISS M I MONTEGRIFFO

Can Government explain what is the reason for the continuation of the ban on meat imports from Spain?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Since the Government is physically unable to undertake the inspection and approval of all abattoirs and cutting premises for the supply of red meats, it must of necessity abide by the lists of approved establishments issued by the UK Ministry of Agriculture, Fisheries and Food under their Imported Food Regulations. These lists incorporate not only establishments inspected and approved in 'third countries' by the Ministry of Agriculture, Fisheries and Food inspectorate but also those approved by EC Member States in their respective countries for intra-Community trade.

Under the terms of the various EC Directives on the subject, Spain has approved its own list of establishments for intra-Community Trade. It is understood, however, that certain matters such as the types of animals to be slaughtered in some of the slaughterhouses listed etc are unclear and the Ministry of Agriculture, Fisheries and Food has, therefore, not yet been able to publish the appropriate I.F.R. list in respect of the Spanish approved establishments.

Since our own Imported Food Regulations run parallel to the UK legislation and for the reasons already given, we are unable to act on the Spanish list until the Ministry of Agriculture, Fisheries and Food has had all outstanding queries clarified and publishes the list with all the relevant information.

As stated previously in this House, Government is committed and anxious to initiate the necessary procedures to lift the current ban as soon as the Ministry of Agriculture, Fisheries and Food publishes the approved list in keeping with the Imported Food Regulations.

SUPPLEMENTARY TO QUESTION NO. 166 OF 1986

HON MISS M I MONTEGRIFFO:

But, Mr Speaker, on the 11 June the Ministry of Agriculture, in fact, lifted the ban on chicken and poultry, surely Gibraltar should have followed suit?

HON M K FEATHERSTONE:

We have investigated that report that appeared in the Chronicle the other day and we have no news of it.

HON J BOSSANO:

Mr Speaker, could I ask the Hon Member, is he then saying that when such a list of approved abattoirs materialises, any person



coming back with a quantity of meat for personal consumption will have to produce a certificate of origin of the abattoir before he is allowed in?

HON M K FEATHERSTONE:

From the information that we have got at the moment most of these abattoirs are in the north of Spain and it is very doubtful whether any meat for sale in the local markets around here will have been produced in those abattoirs.

HON J BOSSANO:

So that means that even after the list of abattoirs is produced the ban will continue?

HON M K FEATHERSTONE:

Yes, I would think so.

HON J BOSSANO:

Mr Speaker, is the Hon Member then going to require as part of any change to bring us into line with UK that the person would have to prove to the satisfaction of, presumably the Customs at the frontier, which abattoir the meat came from otherwise how can he refuse? If somebody alleges that he has bought a pound of beef from an abattoir in Barcelona what proof will the Government require before they let them in?

HON M K FEATHERSTONE:

I admit it is going to be very difficult to administer.

MR SPEAKER:

Next question.

NO. 167 OF 1986

ORAL

THE HON MISS M I MONTEGRIFFO

Is Government now in a position to state when they expect the ODA appointed team to arrive in Gibraltar to look into the staffing requirements of the Medical Services?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

No, Sir, arrangements are being made by ODA with the Department of Health and Social Security for the appointment of the reviewers but as yet I am unable to give any details of their arrival in Gibraltar.

Subsequent to the working out of this reply, Sir, we have heard that they will be arriving on the 16th July.

SUPPLEMENTARY TO QUESTION NO. 167 OF 1986

HON MISS M I MONTEGRIFFO:

Mr Speaker, can the Minister say what the terms of reference of the team are, for example, who they are and where they are coming from?

HON M K FEATHERSTONE:

I don't know where they are coming from, I know the gentleman concerned is a Mr W Hill. His terms of reference will be to look into the situation in Gibraltar with regard to nursing staff and, in particular, to see how they can be incorporated into the UK system.

HON MISS M I MONTEGRIFFO:

Mr Speaker, does the Minister, in fact, accept that there is actually a shortage of nurses and that, in fact, he did tell the President of the Chamber of Commerce, as published in a local newspaper in April, that the only thing wrong with the Health Services in Gibraltar was that there was, in fact, a shortage of nurses?

HON M K FEATHERSTONE:

They will be looking into that as well, yes.

HON MISS M I MONTEGRIFFO:

Mr Speaker, can the Minister confirm that he did actually tell this to the President?

HON M K FEATHERSTONE:

Dr Bacarese-Hamilton saw this Mr Hill two or three weeks ago and made a certain number of suggestions to him but I am not appraised exactly what those suggestions were.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the Minister hasn't answered my question. What I am saying is, can he confirm that what he told the President of the Chamber of Commerce as published in a local newspaper in April was, in fact, that the only thing wrong with the Health Services in Gibraltar was that there was a shortage of nurses?

HON M K FEATHERSTONE:

I think I couldn't have said the only thing wrong with the Health Services was the shortage of nurses. The situation is that the whole nursing staff needs to be put under review with regard to their gradings all the way down the line and this is one of the things that will be looked into.

HON MISS M I MONTEGRIFFO:

But, in fact, is the Minister then confirming that the statement in the paper is correct?

HON M K FEATHERSTONE:

There is a shortage of nurses but this is not the underlying reason for the visit. The visit is to look into the gradings of the nurses all the way down the line and to see how they can fit into the UK scheme so that the qualifications obtained in Gibraltar are acceptable to the EEC.

HON MISS M I MONTEGRIFFO:

Mr Speaker, what has happened since June last year when the Minister actually told me in the House that he could not agree that there was a shortage of nurses?

HON M K FEATHERSTONE:

There is a shortage of nurses according to the conditions appertaining

in the Department at the moment and this will be looked into, what the shortage is, what is the shortfall, how it can be remedied, that will be part of the brief of the person looking into the situation.

HON MISS M I MONTEGRIFFO:

So, in fact, Mr Speaker, the Minister is saying that since June last year he has changed his mind?

HON M K FEATHERSTONE:

No.

MR SPEAKER:

In other words, what I think the Minister is saying is that when this gentleman makes his report then it is time to decide whether the Minister was wrong or not.

HON MISS M I MONTEGRIFFO:

But, Mr Speaker, he is recognising now that there is a shortage of nurses and in June last year he said he could not agree to a shortage of nurses so he has changed his mind in a year. Can he explain what has happened to change his mind?

MR SPEAKER:

We will have to wait events and see whether that statement is correct or not.

HON J BOSSANO:

Mr Speaker, the team or the person that is coming, are they from any sort of specialised institution or organisation in UK like an evaluation unit in the Health Service or something like that who are the kind of people who do grading exercises in UK?

HON M K FEATHERSTONE:

That is what we have asked for, an expert in that field.

MR SPEAKER:

Next question.

8 7 86

NO. 168 OF 1986

ORAL

THE HON MISS M I MONTEGRIFFO

Has Government now had the views of the Consultant on whether there is a requirement for a Dietician?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

Yes, Sir, and they are currently under consideration.

NO. 169 OF 1986

ORAL

THE HON MISS M I MONTEGRIFFO

Is it Government policy to use the KGV Mental Home to provide accommodation for homeless elderly people who are not mentally ill?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

It is not Government policy to use the KGV Mental Home to provide accommodation for homeless elderly people who are not mentally ill. However, there are at the moment a small number of cases which are being kept in KGV primarily for social reasons, but who have a history of mental illness.

SUPPLEMENTARY TO QUESTION NO. 169 OF 1986

HON MISS M I MONTEGRIFFO:

Mr Speaker, if they have been certified mentally as sane shouldn't the Minister try and find them accommodation?

HON M K FEATHERSTONE:

These are social cases, you would have to find them accommodation in such an area that they would not be too far from the hospital so that they could come at least every day to be seen. We do have one or two cases at the moment where that is done. There are, at the moment, four people who are being kept in hospital and one who actually comes and goes.

HON J BOSSANO:

Mr Speaker, is the Minister aware that there is a particular case of an 89 year old person who apparently is there very much against his will purely because he is homeless? He has been found not to be ill in any respect and having been admitted originally under observation to see whether he was ill, it has since been established he is not ill. Does the Minister not agree that there is something very wrong if a person at that age who ought to be enjoying his old age in peace should be kept against his will in a place for people who are ill and who need treatment?

HON M K FEATHERSTONE:

Yes, I accept that there is one instance of a person who has been there a considerably long period of time. If one could find accommodation for him perhaps that should be done.

HON J BOSSANO:

Mr Speaker, is the Minister not aware that there is a particular case of an elderly gentleman who found himself deprived of his home because it was transferred to somebody else in his family and who, in fact, is being kept there for no reason other than if he were discharged which is what he wants to be, he would have nowhere to go to live? Does the Minister not agree that there is something very wrong in a system that keeps somebody in a Mental Home purely because it is better to have him in a Mental Home than to have him sleeping on the streets at 89 years of age? Would he not look into that matter using his other hat as Housing Minister to see whether he can help in this case?

HON M K FEATHERSTONE:

I will try and see if we can find accommodation for him.

HON CHIEF MINISTER:

The man cannot look after himself and all the difficulties arise out of that, the danger of causing fire and so on. The man is perfectly normal in many ways but it is rather dangerous to leave him on his own and I think the answer must be, perhaps, either Mount Alvernia or the Hospital Old Age Wing but otherwise it is very difficult. I have given a lot of hours to that case I can tell Hon Members.

MR SPEAKER:

Next question.

NO. 170 OF 1986

ORAL

THE HON MISS M I MONTEGRIFFO

Has Government now taken a policy decision on the introduction of a Prescriptions Only Medicines List?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

No, Sir. The matter is still under consideration.

SUPPLEMENTARY TO QUESTION NO. 170 OF 1986

HON MISS M I MONTEGRIFFO:

Mr Speaker, but surely the Government has known of the existence of this List for a number of years. Do they not consider that the safety of patients is a prime consideration in this matter?

HON M K FEATHERSTONE:

The Council of Ministers had looked at this at one time and they came to one decision but since then further facts have come up and the matter is being further considered.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the Government recently published a press release on the dangers of aspirin for children, are they taking any steps to remove paediatric aspirins which are already in stock in Gibraltar?

HON M K FEATHERSTONE:

I think the matter has been inflated considerably out of its context. There have not been any cases, to my knowledge, of abuse of the present system.

HON MISS M I MONTEGRIFFO:

Mr Speaker, I am actually asking on the question of the paediatric aspirins from which we have had advice from UK that they shouldn't be given to children under 12 years old. Is the Government going to do anything about those paediatric aspirins which are already in stock in Gibraltar?

HON M K FEATHERSTONE:

I think the Pharmacists themselves use a modicum of discretion



when they are actually selling some of these items to people and ask who they are actually going to be intended for.

MR SPEAKER:

Next question.

8 7 86

NO. 171 OF 1986

ORAL

THE HON M A FEETHAM

Can Government state whether Bigib Ltd has now been granted a licence without quantitative restrictions to import fruit and vegetables from EEC countries?

ANSWER

THE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

No licence has been granted to Bigib Ltd. The Trade Licensing Authority has lodged an appeal at the Supreme Court against the decision by the Stipendiary Magistrate.

THE HON J L BALDACHINO

Has Government now given further consideration to increasing the allocation of funds in the Improvement and Development Fund devoted to the construction of new public housing?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Sir, the Government is currently evaluating the feasibility of carrying out a public housing project at the Engineer House site. The proposed project consists of 45 new housing units at an estimated cost of £1.12m. The provision of funds will be considered once the results of the feasibility study are available.

I should also point out that tenders for Phase I of the additional storey at Laguna Estate are expected to be invited by October. Phase I consists of 12 units.

I realise that the quantity of new housing currently being considered is far from what the Government considers ideal. As has been mentioned in this house on numerous occasions in the past, the refusal of ODA to provide funds has seriously curtailed our ability to build houses for rent. Nevertheless, given the clear financial constraints, the Government is making every attempt to provide additional housing where possible.

SUPPLEMENTARY TO QUESTION NO. 172 OF 1986

HON J BOSSANO:

Mr Speaker, isn't it the case that the Government has now borrowed money which, in fact, it was indicated at the Budget once they had got through their discussions with ODA they would reconsider allocating for the Improvement and Development Fund, for example, having borrowed £2m this year and having voted £1½m into the Improvement and Development Fund, what is holding back the Government from making available the other £½m?

HON A J CANEPA:

First of all, we haven't concluded our discussions with ODA on the Development Programme as I think is already evident and will become even more evident when I answer a question later on on the Order Paper. This feasibility study has not yet been put to Council of Ministers. The Drawing Office Public Works have been working on that, I am informed by the Minister for Public Works that they are now at a stage to put something up to me to discuss with me and then we will take it to Council of Ministers. If that is approved then the financial considerations or the provision of funds is a separate exercise but this is a scheme to provide very low cost housing, 45 units for £1.12m means that they can be constructed for slightly over £20,000 which is about half of what used to be the going price

at the time of the last Development Programme.

HON J L BALDACHINO:

Will the houses that are going to be built in Laguna Estate be more or less in the same order as the existing flats or will they have variations to the existing ones?

HON A J CANEPA:

The same size, essentially the same.

THE HON J L BALDACHINO

When does Government intend to commence with the sale of Government flats in selected Estates to sitting tenants who have shown willingness to buy?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

The sale of Government flats to sitting tenants in selected Estates has already commenced.

Following the results of a questionnaire sent to the tenants of all the selected Estates, it has been decided to approach the sale in phases giving priority to those Estates which have produced the most promising response.

Consequently, last May the tenants of Rosia Dale were called to a meeting organised by the Home Ownership Unit of the Crown Lands Department.

As expected, although most of the tenants are generally in favour of the home ownership scheme, there are a number of points which require further discussion. These are related mainly to communal areas and the arrangements for their maintenance. There is also the question of the tenants who do not wish to purchase. This point has to be studied in greater detail.

On-going discussions are therefore being held by the Rosia Dale Purchasers Association and the Home Ownership Unit with a view to bringing the sale to a speedy conclusion.

Once this has been achieved it is intended to proceed systematically with the sale of the other selected estates.

SUPPLEMENTARY TO QUESTION NO. 173 OF 1986

HON J L BALDACHINO:

Mr Speaker, can the Hon Member say whether irrespective of what the delay is in time, the Government will respect the selling price stated initially.

HON A J CANEPA:

Mr Speaker, I have already given that undertaking provided delays are not caused by the purchasers. If the delay is due to government

inactivity, let us put it that way, then of course the Government would respect the selling prices. But if it were to be the other way round, which I doubt, because there are indications given that people are only too anxious to get on with it and purchase, but once it gets into the areas of legal technicalities we could get bogged down. But as a general principle the Government will respect the prices at the time of offer.

MR SPEAKER:

Next question.

THE HON M A FEETHAM

What is the criteria used by Government to determine the percentage of the cost of any project allowed for development aid?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

The Development Aid Ordinance prescribes that the Minister responsible for economic development may attach such conditions as he thinks fit to a development aid licence including any condition as to the amount to be expended on the project that will qualify as capital expenditure for the purposes of the Ordinance.

Having said this, Mr Speaker, I would like to take this opportunity to inform the House that I invariably get sound advice from the Development Aid Advisory Committee both on the merits of a project and on the percentage that should be allowed as capital expenditure for the purposes of the licence.

The percentage allowed is a question of judgement, but projects which result in the creation of employment opportunities, major improvements to Gibraltar's economic infrastructure or add to a significant degree to the housing stock are normally treated more favourably.

NO. 175 OF 1986

ORAL

THE HON M A FEETHAM

Is it Government's policy to grant development aid licences in respect of projects after they have been completed?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

The Development Aid Ordinance does not provide for consideration of applications for development aid licences after the projects have been completed.

SUPPLEMENTARY TO QUESTION NO. 175 OF 1986

HON M A FEETHAM:

I take it what the Minister is saying, in fact, is that no aid is given after a project has been completed. Can the Minister explain why in respect of aid licence No.2 of 1986, in respect of Lloyds Bank was the licence for aid awarded on the 5th May when the project was supposed to be completed by the 31st March, 1986?

HON A J CANEPA:

That is the date on which the decision of the Minister responsible has been gazetted but that doesn't mean that an application will not have been received well before the project has been completed. It is a case of receiving an application which then has to be processed by various Departments, studies have to be made by officials as to the amount that qualifies for capital expenditure, a meeting of the Development Aid Advisory Committee has to be held, a decision taken, there could be an appeal against the decision and finally, the decision is gazetted but I have no doubt that an application for Lloyds Bank because I have a note here to the effect, as a supplementary, that no application has been entertained in respect of a completed project.

HON M A FEETHAM:

I understand the procedure, it is just that having looked at the Gazette which was published on the 2nd June, 1986, it says that the Minister responsible on the 5th May under Section 7 of the Ordinance granted a development aid licence, that was on the 5th May, and it was conditional that the project was completed by the 31st May, 1986, so the licence was being granted after the completion of the project. This is the impression it gives to me.



HON A J CANEPA:

But the application had been received well before. Apart from that, the application would have been received before, apart from that let me say that the Committee also has power to extend the completion date. If once a project has commenced it is realised for some reason or rather that it cannot be completed within that time schedule then they may ask for an extension of time and there have been numerous instances where an extension has been allowed. But the point I wish to establish is a project is commenced and completed, an application is received for a development aid licence subsequent to completion date then that application would not be entertained.

MR SPEAKER:

What has been explained to you is that there was an application within the required period which had to be considered but the relevant date is the date of the application not the date of the granting of the licence. Is that correct?

HON J C PEREZ:

Mr Speaker, if you will allow me. I think the Hon Member opposite said quite categorically that the Ordinance would not allow the grant of a development aid licence if the project has been completed.

HON A J CANEPA:

Let him not put words into my mouth, let me repeat the main answer that I gave. I said the Development Aid Ordinance does not provide for consideration of applications.

MR SPEAKER:

Next question.

NO. 176 OF 1986

ORAL

THE HON M A FEETHAM

Does Government intend to amend the Town Planning Ordinance to provide that public notice be given of every application for planning permission allowing a reasonable time for objections?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

As is now public knowledge the Commissioner of the Inquiry into the Casemates Wall collapse recommended, inter alia, that the Town Planning Ordinance should be amended to require public notice of all applications, with a right of objection and a right of appeal. This recommendation has been considered by the Government who favour it in principle. Accordingly, the Development and Planning Commission has set up a working party to study the whole question of public participation as it stands in UK today. The main purpose of the study is to consider the extent to which public participation can be introduced locally in the light of the experience gained in UK and local circumstances. It will also be necessary to consider the administrative support structure required to implement this recommendation.

NO. 177 OF 1986

ORAL

THE HON R MOR

Have Government received any proposals for restricting access to any part of Sandy Bay to clients of Both Worlds?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

No, Sir, as far as I am aware the Government has not received any such proposals.

SUPPLEMENTARY TO QUESTION NO. 177 OF 1986.

HON R MOR:

Mr Speaker, may I ask what would be the Government's position if such a request were to be made?

HON A J CANEPA:

That is a hypothetical question, Mr Speaker, I wouldn't like to answer a hypothetical question. I doubt it that such a request will be made, it is a public beach. The public have had a right of access to that beach since after the war when it was a firing range, I remember, and I think it would be very difficult to change that position.

MR SPEAKER:

Next question.

NO. 178 OF 1986

ORAL

THE HON J L BALDACHINO

Can Government state if the White Rock Camp area will form part of the intended development of the Caravan site?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

The tender documents for the development of the Caravan Site do not include the White Rock Camp area.

However, one of the four outline proposals submitted in the first stage of selective tendering procedure envisaged the incorporation of the White Rock Camp into the development by rehousing the existing Government tenants in alternative accommodation. This alternative suggestion is still under consideration.

SUPPLEMENTARY TO QUESTION NO. 178 OF 1986

HON J L BALDACHINO:

Mr Speaker, by alternative accommodation I presume it will be around the Catalan Bay area, is that correct?

HON A J CANEPA:

I would imagine so, Mr Speaker, it would be very difficult to envisage that people whose homes are in Catalan Bay, certainly I doubt it they would be moved out of the Catalan Bay area against their volition. Some people have from time to time accepted offers of Government accommodation in town but to move them out of White Rock Camp in order to make that available for inclusion in a development if the offer of alternative accommodation were to be against the wishes of those concerned because it were to be in town, I think, it would be very difficult to enforce that but the matter is nothing more than a proposal and I have already had representations in any case, from the Village Council for the reservation of White Rock Camp for housing. I am in constant touch with them on the matter.

HON J E PILCHER:

Just for clarification, one of the developers is, in fact, offering alternative accommodation, only one of the four developers?

HON A J CANEPA:

Only one of the four developers.

HON J C PEREZ:

Mr Speaker, were the Government to opt for a developer that does not intend to rehouse the tenants of the White Rock Camp,

does not the Government feel that it is not right for a development to take off with the White Rock Camp there which is, in fact, an eyesore and perhaps against the overall tourist policy of the Government?

HON A J CANEPA:

White Rock Camp is at the moment earmarked for Government housing at some stage or other. Prior to there being any housing development at White Rock Camp there is the area below where some old houses were demolished there a couple of years ago which would be the next phase of housing development in Catalan Bay so White Rock Camp would only be a second phase. I accept the point that the Hon Member is making that to have a touristic orientated development with White Rock Camp in its present state would detract from that development but we are only at an outline planning stage with four developers. We haven't received any tenders, we have only received outline proposals and therefore we are at the stage of discussion.

MR SPEAKER:

Next question.

NO. 179 OF 1986

ORAL

THE HON M A FETHAM

Can Government state what is the position of the allocation of Rosia Bay site for Development?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

The position is that the only tender for the site received from Gibraltar Land Developments Limited and Marples International Limited in Joint Venture has not yet been awarded.

The reason for this is that the Development and Planning Commission is not fully satisfied with the proposals submitted nor with the subsequent revisions. The Commission is of the view that the scheme relies too heavily on residential use giving little value to the touristic potential of the site.

Accordingly, the Company has been informed that the residential element will not be allowed unless there is an assurance that the scheme will also include a hotel on the site.

The Commission also appreciates that the provision of a hotel and other touristic facilities will require a detailed market research and it has therefore agreed to grant the Company a 6 month option for the purpose of carrying out a feasibility study. The option expires on the 25th September, 1986, when the position will be reviewed in the light of the new proposals.

8 7 86

NO. 180 OF 1986

ORAL

THE HON M A FEETHAM

Can Government confirm that Princess Caroline's Battery has been allocated to a locally registered company without going out to tender?

ANSWER

THE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Answered together with Question No. 181 of 1986.

NO. 181 OF 1986

ORAL

THE HON J C PEREZ

In the light of the recent disclosure that Government is considering awarding a site at Princess Caroline's Battery for development, can it say whether it has estimated what the cost will be of providing electricity, water and drainage facilities?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Firstly, I can confirm that we have received an application for a direct allocation of a development site at Princess Caroline's Battery and that the application has been processed under Policy Recommendation No. 8 of the Report to the Chief Minister on the Tourist Industry that is to say, it has been treated as a project which would be beneficial to Gibraltar's tourist industry and which subject to certain conditions and safeguards, should not be made the subject of the normal tender procedures.

Accordingly the proposals were first considered by the Development and Planning Commission in March, 1985. The proposals, which consist of a mixed commercial development estimated at £4.6 million with emphasis on the touristic facilities required for the area, were considered acceptable on planning and architectural grounds, but required further investigation regarding the provision of services to the site.

The Independent Tender Board, which as the name implies is independent of Government influence, then considered the submission and recommended that the proposals were original and generally satisfied the criteria laid down for a direct allocation. Consequently they were of the opinion that a suspension of normal tender procedures was justified in principle, but also advised that more detailed information was required on the financial and technical aspects before finalising the allocation.

This recommendation was next considered by the Land Board, who decided to grant the development Company a period of 3 months in which to submit a detailed Feasibility Study on the technical, financial and economic viability of the scheme. The Company was therefore asked to submit the following information:-

- (a) the nature and scope of the project;
- (b) estimate of cost; methods of financing; and the expected return on the investment, cash flows, etc;
- (c) provision of services to the site and other infrastructural requirements - eg water and electricity supplies, drainage, road widening, parking facilities etc;
- (d) time schedules for commencement and completion;



(e) value of the land either by way of premium or rental.

The Company was also informed that if the above information was not submitted to the satisfaction of the Government, the latter would be at liberty to deal with the site as it may deem fit.

The Company submitted their Feasibility Study in November, 1985. This was considered in detail by the Land Board who directed the Financial and Development Secretary and Director of Crown Lands to clarify certain matters regarding the financial and infrastructural details. Several meetings have been held with the developers and at its last meeting of the 27th June, the Board advised that all matters had been resolved and recommended that the Company should be granted a Licence Agreement for a period of 3 years upon payment of £75,000 for the land and on an assurance that they would undertake to meet all costs of the services infrastructure estimated at about £½ million. This estimate has been prepared in consultation with the relevant Government Departments and consists of the following:-

(i)	Water supplies and Drainage	-	£350,000
(ii)	Electricity	-	£120,000
(iii)	Telephones	-	£ 31,649
			<u>£501,649</u>

Since the Licence Agreement would entitle the Company to a 150 year lease on completion of the development the approval of Gibraltar Council to the disposal of the land is now required under Section 75 of the Constitution.

SUPPLEMENTARY TO QUESTION NOS. 180 AND 181  
OF 1986

HON M A FEETHAM:

Mr Speaker, we in the Opposition are not actually questioning the development, what we are questioning is the procedure. Do I take it then that Government has accepted that a major site that could go out for development within normal tender procedures which nobody else is aware that that site is available because I don't think that Government has made a policy statement to that effect, that in fact this should be - (a) directly allocated, and (b) can he name the company who made the original application?

HON A J CANEPA:

First of all, Mr Speaker, it is not the Government which has made any allocation as yet, it is not the Government. What the Government did was that it accepted a recommendation in the Pitaluga Report which allowed for the by-passing of the normal tender procedure, in other words, which allowed for a direct allocation

in respect of an original project of a tourist orientated nature. The difficulty, Mr Speaker, has been that over the years people may have a project which they submit to the Government, the Government prior to the acceptance of this recommendation of the Pitaluga Report would then invite tenders and in the process of tendering very often the company or the party that had the original idea lost out. There is a difference, I think, between a site which the Government already has earmarked for development about which it has got proposals, the Government itself may have proposals which have been submitted, let us say, by the Public Works Department, by the Drawing Office for approval by the Development and Planning Commission and where the Government has got proposals of its own it does not entertain a direct allocation but where there is a site which the Government has no proposals for, which it hasn't yet thought of developing and somebody comes along with a project which is original and of a tourist orientated nature, what the Government did in accepting the Pitaluga Report and there have been more than one instance already where a direct allocation has been made, what the Government has decided was to adopt the policy of not going out to tender and therefore allowing other people to take advantage of this original proposal and to allow, under certain conditions, that person or persons to be considered for a direct allocation. The matter has not gone to the Government yet, the matter will go to the Government when it is put before Gibraltar Council or, indeed, the project was of such a magnitude that even before Gibraltar Council considers the whole matter there is no reason why Council of Ministers collectively should not consider the matter because in Council of Ministers there are eight Ministers involved and not five as is the case with Gibraltar Council and the project is of a magnitude that all Ministers should be given an opportunity to air their views and not just the five who are members of Gibraltar Council. It is at that stage that the Government would be brought into it. First of all, the Development and Planning Commission has to consider the proposal on planning grounds. If it is not acceptable on planning ground there is no point in taking it any further because planning permission would not be given, that stage has been gone through. The Independent Tender Board then considered it, considered that it was original, tourist orientated and worthy of a direct allocation and so recommended. Then the Land Board, as an agency of the Government, has been the one to go through the negotiations and the detailed consideration of the project. It has recommended that they be given a three year licence upon payment of £75,000 and other conditions and those recommendations now have to be considered by the Government. That is the position.

HON M A FEETHAM:

I am fully aware of the position, Mr Speaker. What concerns us is that under the recommendations contained in the Pitaluga Report which the Minister has already read and which I will repeat said:

'Projects proposed to Government' which would be beneficial to Gibraltar's tourist industry should, subject to certain conditions and safeguards, not be made the subject of normal tender procedure'. Using that, you have waived the tender procedure. What we are questioning is the arbitrary manner in which somebody somewhere.....

HON A J CANEPA:

We have not yet waived the tender procedure. There has been a recommendation to Government that it should do so.

HON M A FEETHAM:

Obviously, if an application has been processed so far somebody has made the decision in Government that a direct allocation should be considered and, in fact, negotiations have taken place.

HON A J CANEPA:

The people that have made that decision are the Independent Tender Board who were set up by the Government when this policy recommendation in the Pitaluga Report was accepted. Those people have recommended that a direct allocation should be made.

HON M A FEETHAM:

Mr Speaker, isn't it correct to say that when the Pitaluga Report was accepted and when this particular recommendation was subject to much debate and discussion that, in fact, that recommendation was not envisaged for a major development of this magnitude and, indeed, that a major site for development should be the case of a direct allocation and, in fact, isn't it also against the public interest that that allocation should be made on the basis that it will be a licence of £75,000 for three years and a proposed lease for 150 years? What are we coming to? Are we giving away the lands of Gibraltar to anybody now?

HON A J CANEPA:

I don't know, Mr Speaker, of what magnitude projects were envisaged at the time. I don't think that the Pitaluga Report gave any indication. It could well be that Mr Pitaluga did not have a major project of this magnitude in mind, he may have had something more modest but I know that the Independent Tender Board has considered projects not of this magnitude but which involved considerable investment, for instance, the conversion of the restaurant at Devil's Tower Road, the former workers' hostel restaurant.

HON J BOSSANO:

Is there any connection between the people who bought that?

HON A J CANEPA:

No, no connection, not that I am aware of. If there is one I am not aware of it. I don't worry too much about people. I look at matters on their merits, I don't ask who is behind this always, sometimes one gets to know invariably but to be objective one should look at a proposal, make up your mind and then, having made up your mind, ask 'Who is behind it?' That is, I think, to be objective. Another one has been, I think, a proposal for a small hotel at a site adjacent to St Martin's School. Projects which are sizeable ones. I don't recall that there was any limit set in the Pitaluga Report but I do grant you that this is the kind of proposal that now, obviously, put the onus squarely on Government to decide is this the kind of thing that it wants?

HON M A FEETHAM:

That is what I am asking.

HON A J CANEPA:

Obviously the Government has got to decide, when the matter is now put before them it will have to decide.

HON M A FEETHAM:

It is not a matter of deciding. For public interest, Mr Speaker, what I am trying to air in this House is that we have got very strict conditions attached to tender procedures in order to avoid abusement, in order to avoid corruption, in order to avoid all sorts of things. I am not saying that there is, Mr Speaker, what I am saying is that it is done precisely so that nobody is subject to questioning at least that it is fair. If we have got that and we are now divorcing it under a Pitaluga Report recommendation which cuts across the very principles of tender procedures by direct allocation of major sites for development, isn't Government therefore, if this goes through and accepts this because one thing is, for example, a direct allocation at the airport where we had the Silk Cut Lounge set up and another one is something of this magnitude under the present conditions. It is a dangerous path to take because it puts into question the whole aspect of development in Gibraltar and I don't think the Government should set itself the power, that is what I am asking, to decide this sort of thing.

HON A J CANEPA:

I agree that it is a dangerous path, it is always fraught with all sorts of dangers. I think it is dangerous to have a Land Board constituted as it is in which three Ministers are involved but to my mind it is better to have a Land Board which at least considers

economic factors in awarding a tender and not the procedure that we had previously in the days when the Treasury Tender Board decided on allocations in respect of land when invariably they just went by the highest bidder. I think that that was terrible and at least the people who are members of the Land Board have to carry the can and you have to defend, as I do, from time to time in the House our decision. It is a very dangerous path and the abuse, corruption, what have you, is always.....

HON M A FEETHAM:

If the Minister will give way. I am not saying that there is corruption, what I am saying is that it could plant in people's mind that by being such a loose procedure it opens up to all sorts of abuse and, indeed, corruption, that is what I am saying.

HON A J CANEPA:

I fully subscribe to that. I have no doubt about the integrity of the people on the Independent Tender Board, let me say that I have no doubt whatsoever and I think it would be difficult to find people who in the community generally were held to be of similar standing. At least we politicians put ourselves in a firing line but they are people who don't have to do this sort of work if they don't want to and I think it is very laudable when people come forward to fulfil such a difficult task. I think what the Government has to ask itself is this, and perhaps we might even go back to Mr Pitaluga and ask him to think about it, it is this; the Pitaluga Report was produced and submitted at a time when the economic climate was different, at a time when the tourist industry was going through a very difficult time and in the same way as from time to time we have given incentives to encourage development, this was another incentive that was being given to encourage someone with an original proposal who was interested in development and the question is, therefore: 'Has the economic climate now changed in such a way that a site like Princess Caroline's Battery where the Government has been loathe to consider inviting tenders in the past because of the problems of the provision of the facilities, the infrastructure of the site has been of the magnitude that I have mentioned, the Government has been constrained in that perhaps otherwise it would have been coming forward itself. Has the climate therefore changed that it should reconsider? Is there a case for a cash limit to be set on projects that will be considered by the Independent Tender Board in the same way as there is a floor for projects to be considered for a development aid licence? These are considerations which I think as a result of the exchanges in the House today and I think we should be grateful to the Speaker for his leniency that he is allowing what is really a debate and not just a question and answer session, but I think we are doing our job here in the House in putting forward considerations which I think the Government must address itself to. I don't think that this is just a routine matter that can be dealt with lightly and, personally,

I am grateful that the matter has been raised in the House and I know that points have been put which my colleagues and I will have to think about and consider when the matter is put in front of us.

HON J C PEREZ:

Mr Speaker, taking on another aspect of the situation, is the Hon Member aware whether any Government Department has hinted at any stage that that site was available for development?

HON A J CANEPA:

As I recall, Mr Speaker, I may be wrong on the date, I have asked this morning Crown Lands to check, I have been a member of the Development and Planning Commission since 1973 and usually I have a good memory about dates. Sometime in the last 1970's, purely internally as between Public Works and the Development and Planning Commission, the matter was posed, the matter was brought before the Development and Planning Commission whether it would wish to consider earmarking this site for development and I think that the matter was not taken any further because of the problem of providing water, electricity and other services to the site and therefore it was left at that. That is the only indication that I can recall in all the years of the matter having ever been broached.

HON J C PEREZ:

Is the Hon Member aware then that plans of the magazines of the site were made available to this particular company a few months before the opening of the frontier to consider developing the site?

HON A J CANEPA:

No, but what has been happening since the opening of the frontier and, indeed, just before, is that there are a lot of people now coming to Gibraltar expressing an interest in Princess Caroline's, in Parson's Lodge, in this or in that. They approach Government Departments, usually Crown Lands, they are then put in touch either with the Tourist Office, with the Drawing Office in Public Works and consultations and discussions take place and there what Government officials try to do is they try to be helpful, they try to encourage development, it could well have happened.

HON H J ZAMMITT:

Mr Speaker, may I intervene just one second to talk on the Pitaluga Report which Members opposite have mentioned. I think my colleague has very rightly put the position but I think we should not forget that there was not a price-tag to a given development and I think

It went back and it is historical in the sense that for very many years potential developers who express a desire to start something new in Gibraltar were not prepared to hold £XM here for six months or, may I say, even a year.....

MR SPEAKER:

With respect, I accept what you are trying to say and I will allow you to finish but you are beginning to debate now, you are not giving information. If the matter is important enough then it should be the subject matter of a motion but we must not debate because we have been at this question for 20 minutes.

HON H J ZAMMITT:

Mr Speaker, I am just trying to clarify the Pitaluga Report, Sir. There were people that did come here and were, if I can use the word, 'shyed' away because they were not prepared to wait for so long. But my colleague mentioned the site, he mentioned the one at St Martin's School. That went to tender and there were no tenders for it. If somebody would have arrived during the interval with a project worth £XM for the Command Education Centre as a novel idea I think Government would have done very well in having accepted that but, as I said and I think my colleague is right, there could well be a situation today because of the tremendous interest that is shown in Gibraltar in possible developments that the whole situation might well have to be reviewed.

HON J BOSSANO:

Can I ask for further clarification, the Minister mentioned £75,000 for a three year licence. Does that mean that they have now paid £75,000 and they have now got a licence for three years?

HON A J CANEPA:

No, that would not happen unless Gibraltar Council approved the allocation.

HON J BOSSANO:

Would they then be required to pay anything more for the 150 year lease after the three year licence?

HON A J CANEPA:

No, I don't think so.

HON J BOSSANO:

So effectively what we are talking about then is practically

giving away Princess Caroline's Battery for £75,000?

HON A J CANEPA:

This is the value that has been put on the site, probably the value is low because of the enormous difficulties with infrastructure.

HON J BOSSANO:

Mr Speaker, if we are talking about a situation where in the past there were no tenderers for a site because of the closed frontier and so forth and therefore it was very difficult to assess the market value in the absence of interest, how is the changed situation being replaced? In whose judgement is the site worth no more than £75,000?

HON A J CANEPA:

In the judgement of the valuers, the valuers in the Crown Lands Department.

HON J BOSSANO:

Was it the valuers in the Crown Lands Department, for example, who decided that Casemates was worth £110,000 and the Vineyard £100?

HON A J CANEPA:

No, in the case of Casemates that was the tender figure received. In the case of Vineyard the Government did indicate that because it wanted to see low price housing it was prepared to give the land away for next to nothing but I must reiterate that the valuers have ascribed this relatively low figure because they know that the cost of infrastructure is over £½m.

MR SPEAKER:

Next question.



THE HON J E PILCHER

Can Government state what proportion of the £6.6m granted to Gibraltar by ODA has been allocated to Tourism and for which specific projects?

ANSWERTHE HON THE MINISTER FOR ECONOMIC DEVELOPMENT AND TRADE

Sir, the overall sum offered by ODA as their contribution to the 1986/90 Development Programme is £6m. The allocations proposed by ODA are as follows:

Port Development	£3.2m
Main Seawater Pumping Station	£1.1m
Electricity Distribution to Dockyard	£1.0m
Consultancy on future power requirements	£0.1m
Unallocated Balance	£0.6m

As can be seen, no specific funds have been allocated to tourist developments. I would like to take this opportunity to inform the House that it is understood however that the ODA are prepared to consider other projects in lieu of any of these, so long as the project is of an infrastructural nature.

NO. 183 OF 1986

ORAL

THE HON J BOSSANO

Can Government state what decision has been taken by the ad hoc Committee on the future of the Garrison Library?

ANSWERTHE HON THE CHIEF MINISTER

The ad hoc Committee made the following recommendations:

- (1) the Garrison Library Committee's proposal that the Library and other properties should be transferred to the Gibraltar Government should be accepted;
- (2) the properties should be retained by the Government;  
and
- (3) the Library Building and its contents should be vested in the Gibraltar Heritage Trust.

These recommendations were approved by the Government on 25 June, 1986.

SUPPLEMENTARY TO QUESTION NO. 183 OF 1986

HON J BOSSANO:

Mr Speaker, is there a timescale within which this is likely to happen?

HON CHIEF MINISTER:

I couldn't say but certainly one of the first requirements for the Government to take it over is the completion of the works and the handing over in a proper state and from my daily observation of the works opposite my Chambers, I can tell you that there is a lot of time to be taken in finishing those roofs and so on but there must be a time-scale related to that.

MR SPEAKER:

Next question.

NO. 184 OF 1986

ORAL

THE HON M A FEETHAM

Does Government consider that the amount of aid granted for the next 5-year Development Programme of £6m is fair and reasonable?

ANSWERTHE HON THE CHIEF MINISTER

The Government was naturally disappointed that Her Majesty's Government were unable to make available more than £6m by way of financial assistance for the next 5-year Development Programme but, indeed, my understanding is that it was given for the next four years though the proposals were for a 5-year Development Programme. Apart from the sum involved, there are a number of matters arising out of the offer, mainly as regards the projects identified by ODA as worthy of their assistance, which have still to be discussed with them as my Hon colleague has just mentioned but they have indicated that within those parameters there would be flexibility in the proposals and, indeed, I think I would like to take the opportunity of saying that when we took objection to proposals being made the answer was that this was proposed if priorities were more or less what our own Economist and the Economist of the ODA had identified. But so long as they are for infrastructural purposes I think we have a considerable amount of flexibility in respect of that.

SUPPLEMENTARY TO QUESTION NO. 184 OF 1986

HON M A FEETHAM:

I take it then, Mr Speaker, that the Government is not going back for more money and that the matter is now closed as was said in the House of Commons?

HON CHIEF MINISTER:

I don't know whether it was reflected in my colleagues answer but we have not yet responded to that offer for a number of reasons one of which is that we would like to respond to the whole offer which includes the £2.4m which is, in turn, linked to the balance of the £28m. The whole matter is now the subject of consideration before going back on the matter. I would not like to give an indication that we hope that we can get much more than the £6m for infrastructural aid but we have not reacted yet to that formally so that it is not closed.

HON J BOSSANO:

Mr Speaker, wasn't the Hon and Learned Chief Minister going to say something about the £2.4m, wasn't that the indication?

MR SPEAKER:

That would be on Question No. 187, I would imagine. Next question.

NO. 185 OF 1986

ORAL

THE HON J BOSSANO

Has Government received any proposals from Spanish interests for participation in GBC?

ANSWERTHE HON THE CHIEF MINISTER

No, Sir.

However, informal contacts have taken place between GBC and a Spanish Broadcasting firm into the possibility of GBC leasing their transmitters during those times when they are not in use.

Government has also been approached by another Spanish firm with a proposal to set up independent transmitting facilities in Gibraltar for broadcasting to the hinterland. Both these matters will be looked into, in consultation with GBC, by the Standing Committee which has recently been set up.

SUPPLEMENTARY TO QUESTION NO. 185 OF 1986

HON J BOSSANO:

Will the House have an opportunity to express its views on any decision on this matter before a decision is finalised?

HON CHIEF MINISTER:

Inevitably because it would require an amendment to the law.

MR SPEAKER:

Next question.

NO. 186 OF 1986ORALTHE HON J. BOSSANO

Can Government state when was it decided to convert the post of Secretary to the Board of GBC from part-time to full-time and whether it was consulted by the Board regarding the subsequent elimination of the post?

ANSWERTHE HON THE CHIEF MINISTER

This is a matter entirely for the Board of the Gibraltar Broadcasting Corporation which, as the Hon Member is aware, is an independent body. The Government was not consulted by the Board nor is there any reason why it should have been.

SUPPLEMENTARY TO QUESTION NO. 186 OF 1986

HON J BOSSANO:

Didn't the Hon and Learned the Chief Minister, in fact, announce in the House the original decision to appoint a Secretary on the basis that this was something the Government was supporting in order to strengthen the Board which then had too much work and needed to have independent assistance from the Corporation?

HON CHIEF MINISTER:

That is the case and I had to mention that in the House because the Gibraltar Broadcasting Corporation Ordinance provides that the Board has a right to appoint a Secretary, the rest is entirely a matter for them, it was in policing, if I may say so, the Ordinance in respect of that appointment that I made the statement.

HON J BOSSANO:

But surely, Mr Speaker, if it is of interest to the House and we are informed that the Board has decided to exercise its powers and appoint a part-time Secretary on the basis that there is a certain amount of work to be done there then if there are changes one shouldn't have to discover those changes by hearsay. Having been told of the original decision, one should be told surely that the Board had now decided that it doesn't need a Secretary after all or that it needs a full-time Secretary instead of a part-time Secretary. I don't see how it can be nothing to do with the Government and nothing to do with the House now and it was originally. Either it had nothing to do with us from the beginning or it still has something to do with us, surely, Mr Speaker?

HON CHIEF MINISTER:

I am sure the Hon Member has already got the Hansard there prepared to tell me what I said then, but speaking purely from memory, that was in response to a question and I said that there was power under the Ordinance and that is all, there was power. Under the general provision the Board is completely independent and I do not have to answer for them. In respect of that appointment I have to draw attention to the fact that they have represented that as they have power to appoint a Secretary they are going to do so under the Ordinance.

HON J BOSSANO:

Mr Speaker, isn't it the case that if a Secretary was appointed on a part-time basis originally and the House was so informed by the Hon and Learned Member and then the Secretary had the salary doubled because he moved from part-time to full-time, it is a matter which involves necessarily an additional cost which is reflected in the amount of money the Government provides and the House votes?

HON CHIEF MINISTER:

That will have to be taken into account when the Corporation approaches the Government about the subsidy.

HON J BOSSANO:

Mr Speaker, what I am talking about is not something that is due to happen in the future. I am saying, is it not the case that at some time in the past without the matter being reflected by the Government in this House, a decision was taken by the Board to increase the salary of that post from part-time to full-time, is that a fact or is it not a fact or is it that the Hon and Learned Member doesn't know?

HON CHIEF MINISTER:

Of course I know as much as I know from reading the papers and the fact that it led to some industrial trouble, I am not unaware of what happens in Gibraltar despite my other occupations. Certainly we have nothing to do with it. The other one I replied in the form that I did in order to draw attention to the fact that what they were doing was within the terms of the Ordinance. Within the wider terms of the Ordinance what they do they are answerable to themselves and, insofar as we are concerned in respect of subsidy, we might have something to say assuming, for example, that an increased subsidy contains a reference to increased salary for the full time Secretary. That is the only opportunity we have and we would not like to use the question

of the subsidy to try and have any control over the Corporation any more than we have any point in interfering with the Corporation's decision as to the kind of pension fund that they have given to their workers or to their staff, no more than they have referred these matters to us they have not referred this matter to us. If they had referred the matter to us because they felt they wanted our support we might have considered it or we might have said: 'This is a matter for you'. What we would have said if we had been asked and if we had given a reply is a different thing.

HON J BOSSANO:

I don't think the Hon and Learned Member is following the question that I am asking, Mr Speaker. There are two parts to the question and I am not asking him at the moment about the current decision of the Board to eliminate the post, I am talking about the previous decision of the Board to double the salary of the Secretary and increase his functions from part-time to full-time. Is the Hon and Learned Member then saying that the Board is free because they have got the right to appoint a Secretary having decided to appoint a part-time Secretary then decide to make it a full-time Secretary and simply pass the Government the bill without any explanation?

HON CHIEF MINISTER:

No, I am not saying that and let me say straightaway that what I did not know, and I say so quite candidly, what I did not know was that it was the intention to double the salary of the Secretary. All I had heard was of the appointment of a full-time person in lieu of the Secretary but I was not aware that that was the intention and that is what led to the problems in GBC. Quite candidly I can tell you I was not aware of that.

HON J BOSSANO:

If the Hon Member will give way because I am afraid he still doesn't understand. What I am saying and clearly he is not aware is, Mr Speaker, is it the case then that when this happened - I am not talking about what has happened currently or the controversy, I am talking about a year ago - when a year ago the Board decided to double the salary of the Secretary and to make the Secretary a full-timer the Hon Member is saying that he doesn't know that it happened a year ago and the Board has got the authority and the right to do that and simply pass the Bill to the Government without a word of explanation.

HON CHIEF MINISTER:

No, they do not pass the bill to the Government. They make a



submission for a subsidy on many things and they are looked at with as much scrutiny as submissions by Heads of Departments or Ministers in respect of their Departments though it is not a Department of Government. Insofar as the criteria applied by the Government in granting money is concerned, that goes through that scrutiny and therefore it is not a question of their coming for £10,000 more or anything like that. At the time of submission for the subsidy they make out a case of what their costs are and they make out what their expected revenue is and what they expect from the Government and let me tell you quite clearly that they never get what they expect to get.

MR SPEAKER:

Next question.

NO. 187 of 1986

ORAL

THE HON M A FEETHAM

Has Government now accepted that the amount of ODA funds provided to GSL over the £28m should be counted against the overall aid allocated to the Gibraltar Government?

ANSWERTHE HON THE CHIEF MINISTER

As the Hon Member will be aware, the amount which HMG offered to the Government as further financial assistance for GSL was £2.4m. This fell short of the amount which the Government, after very careful consideration, requested, by about £1m. We were assured by ODA that they would consider the request for assistance for GSL on its merits. It would appear from the response that, at any rate when the offer was made, they took a different view of the merits of the case from that taken by the Gibraltar Government.

That was the prepared answer but having regard to the remarks made about my making a further statement about this, I would like to say that we are still in very close and intense consultation about the response, generally, and in respect of the whole question of GSL. I had hoped and I have requested a response in order to be able to give a reply to the House today or tomorrow, so long as the House is sitting. Unfortunately the ODA has not found this possible and one of the reasons given for the delay in clearing up this matter which should have been cleared up long ago is that there has been a very vast change in the officials dealing with this matter some of whom are completely new and are taking longer to consider the various aspects of this rather complicated matter than would have been the case. But I have been assured that I would get a reply by the end of the week. As soon as the reply is received I will communicate the reply to the Leader of the Opposition. I cannot do more than have exhausted my efforts in trying to get an early reply to be able to make it public, whether it was good, bad or indifferent, I thought this was the place in which to make the reply public.

SUPPLEMENTARY TO QUESTION NO. 187 OF 1986

HON M A FEETHAM:

Mr Speaker, what the Hon and Learned Chief Minister is saying is that the Government have not accepted that this sum should, in fact, be paid out of the ODA aid allocated to the Gibraltar Government for development? The Government of Gibraltar have not accepted it should come out of that aid?

HON CHIEF MINISTER:

You cannot say that it has not accepted or accepted, we have been offered £6m for development and £2.4m for the yard. We haven't been offered £8.4m and you can use it the way you like. We made a case for £3.5m for the yard and we were given £2.4m, we made a case for £14m for the Development Programme and we got £6m. I think it complicates matters if you say that we accept it as part of the allocation. We need this money and more in order to cover quite a number of overruns which really are not the fault of the Government in respect of the expenditure.

HON M A FEETHAM:

What the Hon and Learned Chief Minister is saying is that insofar as Government policy is concerned the Government's priority is, in fact, that a certain amount of this money - we are talking about £2.4m- will be going to GSL?

HON CHIEF MINISTER:

We want more because more is needed.

HON M A FEETHAM:

The Government is saying that in their priority the money should be spent exactly as he has said today in the House, the priority is not elsewhere, that is what I am saying.

HON CHIEF MINISTER:

I don't think that they would give us the money for elsewhere.

HON J E PILCHER:

Could I clarify because I had a few questions this morning which were put back to this question. The Chief Minister said he will have a reply by the end of the week. A reply to what specific issues because I put the issue of the £28m, we are still £1.7m short of the £28m which was one of my supplementaries this morning. I also asked why was that being held back.

MR SPEAKER:

But that has nothing to do with the particular allocation we are talking about.

HON J E PILCHER:

This morning, Mr Speaker, in my supplementaries to the Hon

Financial and Development Secretary, I was told to wait because there would be a .....

MR SPEAKER:

All I am trying to bring to your notice is the fact that the £1.6m you are referring to has nothing to do with the £2.4m or the £6m from ODA.

HON J E PILCHER:

No, what is left of the £28m.

HON CHIEF MINISTER:

I think that it is a very good question and I am sorry that it has not come out clearly. Strictly speaking, as will be seen when I answer the last question in the Order Paper, what was being referred to this morning was the balance of the £28m, that is what has not yet been released and that is what is the subject of discussion with the United Kingdom together with but for other reasons of the £2.4m.

HON J BOSSANO:

Mr Speaker, as far as we are concerned there is a fundamental distinction between whether the Government gets the extra £2.4m or the extra £3.5m that they asked, that is their responsibility because, in fact, we both went to an election campaign in 1984 saying £28m was enough. What we want to know is if the Government has now not been given the remainder of the £28m, have they been given a reason for not being given the remainder?

HON CHIEF MINISTER:

Of course we were given a reason and that was made public at the time when there was the industrial problem. I released a copy of the letter I had received from the Governor I think at the Press Conference and it was made public. It is that letter that we are still fighting which is the balance of the £28m and we think that all the conditions of the agreement signed by the Secretary of State and the present conditions at the yard and so on make it indisputable that we are entitled to that money.

HON J BOSSANO:

Mr Speaker, on the question of the amount of extra money being part of the overall aid or not, I think the point that we are trying to elicit from the Government is, is it a valid analysis on our part to say that the amount of money the British Government

was prepared to give Gibraltar has been £6m because they had agreed to give £2.4m? This is the extent to which we are saying, have they accepted that one thing should be offset against the other or not? I think it is important to know if the Government is in a position because they know themselves or they may not know but it is important to know if that information is available whether the situation is that the British Government has said: 'I am only prepared to give you £6m because I have already agreed to give you £2.4m for the commercial dockyard' or whether, in fact, even if the £2.4m had not been there the position is still that they wouldn't give more than £6m?

HON CHIEF MINISTER:

It is a very good question to which I do not know the answer. They have not revealed at any stage either that or whether something else had anything to do with the overall amount committed from ODA funds for Gibraltar. We do not know.

MR SPEAKER:

Next question.

NO. 188 OF 1986

ORAL

THE HON J E PILCHER

What are the conditions of the loan given by the Gibraltar Government to Gibraltar Shiprepair Limited?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

The loan, of £¼m, has been made initially for a period of twelve months and will be interest free. The Government has told the Company it will give favourable consideration to renewal of the loan at the end of twelve months in the light of the company's financial circumstances at the time.

SUPPLEMENTARY TO QUESTION NO. 188 OF 1986

HON J E PILCHER:

Following from this morning, is the company really not entitled to that £¼m anyway because the refurbishment of the dockyard which overrun by £1.7m is an asset which belongs to the Gibraltar Government, should be paid by the Gibraltar Government and therefore what the Gibraltar Government should do is pay the £1.7m to the company.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Hon Member will be fully aware of a lot of considerations which prompted the Government to make its offer of financial assistance to GSL and as far as the capital expenditure is concerned I think I could refer him to what I said this morning about the expectations that this, indeed, the probability subject to what the Chief Minister has just said that this will form part of further assistance from ODA. We are talking, of course, about financing.

HON J E PILCHER:

Mr Speaker, the point I think was cleared up this morning with the intervention by the Attorney-General when he mentioned the two different aspects where the money could be spent and it was clear that the £1.7m had come out of the expenditure on assets which the Ordinance clearly specifies belongs or is the commitment of the Gibraltar Government and therefore, as was said this morning by the Hon Financial Secretary the £1.7m is an overrun on capital expenditure on assets that overrun is the commitment of the Gibraltar Government and not the commitment of the company irrespective that there is an agreement between the Gibraltar Government and the company for the company to actually contract out the work, that is an agreement between the Gibraltar

Government and the company which does not supercede what the Ordinance says, Mr Speaker.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker, but the question which the Hon Member asked was the conditions of the loan given by the Gibraltar Government to Gibraltar Shiprepair Limited and I think I have explained the circumstances of that particular loan. I am quite happy to go into detail about the loan and what it is intended to meet if he so wishes but I am not prepared to re-open the discussion we had this morning.

HON J E PILCHER:

I am not trying to re-open the discussion. The question really is why have the loan in the first place, why not just give the money to them which belongs to the company?

HON CHIEF MINISTER:

I would assure the Hon Member that we do not suck our finger.

HON J BOSSANO:

We have already discovered on a previous occasion the Hon Member didn't suck eggs and now we know that he doesn't suck fingers either, I am not sure what that has got to do with the loan, Mr Speaker. What we are trying to establish.....

HON CHIEF MINISTER:

Other people suck other things.

HON J BOSSANO:

We won't go into that aspect of it. Are we correct in understanding the Hon and Learned Attorney-General's answer to a supplementary this morning that, in fact, monies from the Gibraltar Shiprepair Fund can only be used for one of two things; either the purchase of shares in the company or the cost of the renovation of the yard? And if the answer to that is yes, then if there has been an overrun on the cost of the renovation of the yard, isn't that overrun the responsibility of the Government of Gibraltar who have to pay for it from the GSL Fund and not from the GSL shareholdings and if that is the case then surely the company, as an entity, is misusing company funds.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I wouldn't like to say that the Hon Member is out of order but we were asked a question about the conditions of the loan given by the Gibraltar Government to Gibraltar Shiprepair Limited and, of course, that loan does not form part of the Special Fund.

MR SPEAKER:

What you are being asked is whether the actual making of the loan was justified and to that extent the question is most certainly relevant.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, I am quite prepared to explain the circumstances of the loan but, of course, it was explained fully in press releases at the time. The figure of £¼m was related to what was at an early stage in the industrial negotiations or, as I say, the negotiations turned then to an industrial dispute, are intended to, broadly speaking, bridge a figure of about 2½% which was the offer and something like 5% with respect from the 1 January, 1986. The settlement reached was more of the order of 9%, I believe or thereabouts, and it was of course from the 1 June, 1986, rather than the 1 January. And of course it was made clear that this was to meet the immediate financial problems, the cash flow problems of the company in 1986 pending further consideration of the longer term future of Gibrepair by the consultants who have been appointed by the Government. The difference between 9% from the 1 June and 5% from the 1 January is very, very marginal, in fact, seven-twelfths (7/12ths) of 9% is about 5% so the eventual financial assistance made by the Government was consistent with what it had originally intended.

HON J E PILCHER:

Mr Speaker, I think we are going round in circles. Really this is a political question and this is the disadvantage of having a non-political person answering questions. The reality is that all that the Hon Financial and Development Secretary has said is, in fact, the magnanimity of the Government in giving GSL £¼m to pay for the pay rise and bring the company out of the financial difficulties, the Gibraltar Government coming to the rescue of the company and being seen publicly as coming to the rescue of the company when in the first place it is the Gibraltar Government that has caused the cash flow problem of the company by not paying the company £1.7m of extra money in the refurbishment programme. That is the question, Mr Speaker.



HON J BOSSANO:

Then have we misunderstood the answer? Mr Speaker, we are talking about the Gibraltar Shiprepair Limited Ordinance and the establishment of the fund under Section 6 of that Ordinance and the use for which that money can be put. Are we right in understanding the law and in understanding the answer from the Hon and Learned the Attorney-General that the £28m can only be used either to buy shares in the company or to pay for the renovation of the yard? And the answer is yes, it can only be used for one or the other. Our supplementary to that is, if the renovation of the yard costs more doesn't it follow that it is the responsibility of the Government and not the responsibility of the company because it doesn't come out of the shareholdings. If the answer to that is no, it is not the responsibility of the Government it is the responsibility of the company from the money obtained by the issue of shares, let us be told that because that seems to be in conflict with the law. Perhaps we have understood the law wrongly. Can we have a statement from the Government, which is it and then we don't have to be at cross purposes but if they are trying to mislead us then, of course, we will go round in circles all day.

HON CHIEF MINISTER:

I don't think there is any attempt on this side of anybody trying to mislead but I think Hon Members opposite are trying to confuse the issue in this matter, either to take away credit for having helped the yard or because we didn't help them enough. Of course, the strict legal view may be that but we say that the overrun on the capital is the responsibility of the British Government because further expenditure has been required which was not envisaged at the time the £28m were discussed. That is why we have asked for more money, that is why they have offered more money even though it is not what we have asked and there is a dispute there. The other thing, of course, insofar as the particular funds are concerned is that we have not in any case yet received the full £28m.

HON J BOSSANO:

Mr Speaker, I think there is an important situation in that, quite frankly, the way we are going to vote on this £250,000 is to a very large extent determined on our understanding of the justification, how right the Government is in providing that money or in not providing that money and this is what we are trying to establish and we are trying to seek information.

MR SPEAKER:

In fairness, you are not going to get the information you want.

The Government is taking a stand and the Opposition is taking a stand and there is no way that you are going to get answers which is going to prove them wrong or you right. In other words, you are trying to justify what you are saying by getting replies from Government. You are not getting the reply and you are not going to get it. It gets to the stage when one must draw the line somewhere.

HON J BOSSANO:

Mr Speaker, I think when the Hon and Learned Chief Minister gave us an answer just now he said that as far as the Gibraltar Government is concerned the responsibility for providing the money is the UK Government, we are not disputing that. Let us say we had the £28m here provided, our question to the Government is, is the £1.7m that they still haven't got part of the money that is used for buying shares or part of the money that is used for paying refurbishment? And the answer must be either one or the other, there is no two ways about it or they don't want to tell us. What is the mystery? Why can't we be told that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I understand the Hon Member's point. The £28m has been spent we are offered another £1.7m by ODA then quite clearly that is something which has to be paid into the GSL Special Fund and an amendment to the existing Ordinance would have to be made to provide for that particular contingency.

HON J BOSSANO:

Mr Speaker, when the money is used from the Fund, the Financial and Development Secretary gets £28m put into the Fund and he can use that money one of two ways either to buy shares in GSL or to pay for the refurbishment costs in respect of which he will not be issued with shares, that is what the law says and that is what the Hon and Learned Attorney-General told us this morning. We are asking him, from the missing money of the £28m, the balance, is that a balance of money that is intended for buying shares in the company or a balance of money that it intended for paying for refurbishment? Why can't we get a straight answer to that question?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If the Hon Member is referring to the £1.6m then my assumption is that that will be mostly money which is used for capital purposes but whether it is precisely Government-owned bits of the dockyard or capital equipment which is in the company ownership I am not absolutely certain but whatever happens it is quite clear

that as soon as that £1.6m has been released and spent and further money has to be spent with the aid one hopes of ODA funds then there would have to be an amendment to the Ordinance.

MR SPEAKER:

Next question.

NO. 189 OF 1986

ORAL

THE HON J E PILCHER

Can Government state when they intend to appoint the independent consultancy to look into the future of Gibrepair?

ANSWERTHE HON THE CHIEF MINISTER

Arrangements are at an advanced stage to appoint Price Waterhouse Management Consultants. It is expected that the Consultants will start work before the end of this month.

SUPPLEMENTARY TO QUESTION NO. 189 OF 1986

HON J BOSSANO:

Is the independent consultant amongst his terms of reference going to look at whether there was any mismanagement of the yard in 1985?

HON CHIEF MINISTER:

They will have to look at everything.

HON J BOSSANO:

And would that mean that the Government would have recourse to any possibility of taking action against the managing agents if any deficiencies were found?

HON CHIEF MINISTER:

That will have to wait the outcome of the Report.

HON J BOSSANO:

The possibility of taking action is not precluded by the management contract, is it?

HON CHIEF MINISTER:

Not at all and, in fact, the company has offered to cooperate fully in the consultancy.