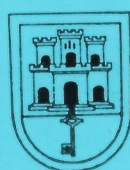


GIBRALTAR

HOUSE OF ASSEMBLY



QUESTIONS AND ANSWERS

29TH APRIL, 1988

NO. 1 TO NO. 62

THE HON A J CANEPA

What was the total sum frozen by the Government when considering the Draft Estimates for 1988/89, as announced on the 30th March, (a) in respect of "Departmental Bids" over and above the "Treasury Allocation" for recurrent expenditure, and (b) in respect of items termed as "Special Expenditure"?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the Government was unable in the time available between its election to office and the latest date for circulation of the Estimates to the House, to give full consideration to the details of departmental Estimates. It was therefore decided to accept, for the purposes of the Appropriation Bill, with some exceptions, related primarily to the policies of the new Government, the Treasury's estimates of departmental requirements in accordance with the formula adopted in recent years. Departmental Ministers will however give further consideration to departmental bids for additions to these Estimates, and a Supplementary Appropriation will be sought in due course in the light of this.

2. It would not be normal practice for the Government to reveal departmental bids for increases in public expenditure when these are not approved by Ministers. However in the exceptional circumstances of this year's Appropriation Bill when the bids were prepared during the previous government's tenure of office it is prepared exceptionally to do so.

3. The figures are; for recurrent expenditure, £3.1 million, including £872K in respect of the Gibraltar Health Authority; and special expenditure of £½ million, including £96K in respect of the Gibraltar Health Authority.

4. To have approved these bids in full in the light of the Treasury's Revenue Estimates would have implied a deficit of £5.4 million for this year. The government is not prepared to contemplate a deficit of this magnitude and will seek to contain public spending within reasonable limits. This will be made clear during the course of the Appropriation Bill when the Government's policy on public spending is spelt out.

2.

SUPPLEMENTARY TO QUESTION NO. 1 OF 1988

HON A J CANEPA:

Mr Speaker, notwithstanding all the reservations made by the Honourable the Financial and Development Secretary, I am grateful for the answer.

MR SPEAKER:

Next question.

THE HON K B ANTHONY

What were the amounts outstanding as arrears in respect of bills issued for Electricity, Telephones, Water and Rates, as at:-

(a) 31 12 87

(b) 31 3 88

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the figures, which relate to the period when the previous administration was in office, are as follows. I have two columns of figures but I will read them out under each of the services first, so I will give electricity 31 12 87 and then 31 3 88.

	<u>31 12 87</u>	<u>31 3 88</u>
	£'000	£'000
Electricity	1,306	1,213
Telephones	877	754
Potable Water	865	864
General Rates	<u>1,150</u>	<u>1,064</u>
	<u>£ 4,198</u>	<u>£ 3,895</u>

The new Government expects to achieve an improvement over the course of the current financial year.

MR SPEAKER:

Next question.

THE HON G MASCARENHAS

Can Government state whether it is still their intention to review the scholarship system?

ANSWERTHE HON THE MINISTER FOR EDUCATION, CULTURE & YOUTH AFFAIRS

Yes Sir. This Government attaches great importance to the training of Gibraltar's youth. The scholarship system has been in need of a complete overhaul for years. Our objective is to open up opportunities for further education for the benefit of the students and for the benefit of the community as a whole. The change will be in accordance with the commitment spelt out in our Manifesto.

SUPPLEMENTARY TO QUESTION NO. 3 OF 1988

HON G MASCARENHAS:

Mr Speaker, when will the Government bring the necessary legislation to this House?

HON J L MOSS:

The necessary amendments to the Educational Awards Regulations are in an advanced stage and will be gazetted once ready. The necessary funding has already been identified to eliminate the points system as from this year.

HON G MASCARENHAS:

Mr Speaker, will the new system be exactly the same as the UK system?

HON J L MOSS:

The new system will be as spelt out in our commitments in our manifesto.

HON A J CANEPA:

Will the new system include a revision of the system of parental contributions or does the Minister propose to continue with the present system?

HON J L MOSS:

Mr Speaker, at this stage there is no plan to review the system of parental contribution.

HON P C MONTEGRIFFO:

Mr Speaker, will the new system also allow for scholarships or grants to others than school leavers. People who would qualify for places in the UK but are of a greater age than school leavers?

HON J L MOSS:

Mr Speaker, I believe that the Honourable gentleman is referring to non-mandatory awards. These will be looked at in the light of particular cases.

HON P C MONTEGRIFFO:

Mr Speaker, I am not referring to non-mandatory awards. I am referring to a situation where, if I am a 40 year old individual and I get a place in a Polytechnic to do Fine Arts and therefore I qualify as far as the educational standards of the Institution are concerned, would the review proposed by the Government give me the scholarship or is the extension only for school leavers?

HON J L MOSS:

Mr Speaker, this will be reviewed in due course.

HON A J CANEPA:

Mr Speaker, is the Honourable Minister aware that that is a thoroughly unsatisfactory answer?

HON J L MOSS:

Mr Speaker, is the Honourable the Leader of the Opposition aware that there has been a very unsatisfactory system for a number of years which as a Deputy Chief Minister and Chief Minister he has not troubled to change?

HON A J CANEPA:

Mr Speaker, is he aware that he has been asked a specific question which he has not answered?

HON J L MOSS:

Mr Speaker, I am not aware of this specific question.

HON P C MONTEGRIFFO:

Mr Speaker, can I perhaps put it another way. This 50% increase in the Scholarship Fund, which has been earmarked by Government, has that been computed on the basis simply of an estimated increase of scholarships for the school leavers and takes no account of a potential demand for other people?

HON J L MOSS:

Mr Speaker, the amount has been reviewed in the light of possible awards to be taken up by school leavers.

HON P C MONTEGRIFFO:

I am grateful.

MR SPEAKER:

Next question.

THE HON G MASCARENHAS

Will Government proceed with the planned construction of two new schools in the south district to replace St Joseph's First and St Joseph's Middle?

ANSWERTHE HON THE MINISTER FOR EDUCATION, CULTURE AND YOUTH AFFAIRS

Mr Speaker, the Hon Member is aware that the Rodger's Road site for St Joseph's First is subject to the results of a geological survey to be carried out by specialists. This project will be assessed in the light of the survey's outcome. However, before considering the question of building new schools, or carrying out major repairs to existing ones, Government will first finalise its housing development policy to see where the schools should best be sited. However I wish to emphasise that the commitment to provide new school buildings is still a priority for the Government.

SUPPLEMENTARY TO QUESTION NO. 4 OF 1988

HON G MASCARENHAS:

Mr Speaker, I believe that the Hon Member has visited the two schools in questions. Is he satisfied that the planned replacement of these schools is a serious and urgent matter?

HON J L MOSS:

Mr Speaker, I have visited the two schools as no doubt the Hon Member visited them when he was Minister for Education and we are reviewing the situation and, as I said, our commitment is still to provide new buildings.

HON G MASCARENHAS:

Mr Speaker, the Hon Minister therefore considers that the projects can suffer a delay?

HON J L MOSS:

Mr Speaker, the Hon Member has heard my previous answer. We are reviewing the situation, that does not mean that there is a delay or that there will not be a delay.

HON G MASCARENHAS:

Therefore, Mr Speaker, I take it that the Hon Member agrees that the teaching environment for staff and pupils alike is satisfactory?

HON J L MOSS:

Mr Speaker, I do not think that the Hon Member has understood my answer.

HON A J CANEPA:

Mr Speaker, having regard to the fact that the Hon Minister has made reference to the question of housing, what account has he taken of the fact that there are over 200 housing units being built in the South district which are primarily going to be taken up by young families and what effect that will have on school places in the South district?

HON J L MOSS:

Mr Speaker, I am reviewing the situation. I am actually getting together a list of any new children who may be living in that area. It is a shame it was not done by my predecessor but I can assure you I am looking into this.

HON A J CANEPA:

Mr Speaker, is the Minister aware of the fact that his surname is Moss and not Fagin?

MR SPEAKER:

Next question.

NO. 5 OF 1988

ORAL

THE HON G MASCARENHAS

Is Government proceeding with the planned major extension to St Anne's Middle School at Glacis?

ANSWER

THE HON THE MINISTER FOR EDUCATION, CULTURE AND YOUTH AFFAIRS

Mr Speaker, this question, I believe, has already been answered in my previous answer.

SUPPLEMENTARY TO QUESTION NO. 5 OF 1988

HON G MASCARENHAS:

I take it that this is in respect of all projects?

HON J L MOSS:

That is correct, Mr Speaker.

HON G MASCARENHAS:

Is the Hon Minister aware that that project contains, amongst other things, a full size gymnasium additionally earmarked for community use?

HON J L MOSS:

Mr Speaker, I am aware of this.

HON G MASCARENHAS:

Is the Hon Member aware of the need for a further gymnasium in Gibraltar?

HON J L MOSS:

Mr Speaker, I do not believe that that is a question which is to do with the original question that the Hon Member has made.

HON G MASCARENHAS:

Mr Speaker, I beg to differ.

MR SPEAKER:

Perhaps the question should be phrased to say-'Would the provision of the new gymnasium at St Anne's cater for the requirement of community needs? To that extent it is permissible. It should not extend to the needs of gymnasiums in Gibraltar.'

2.

HON G MASCARENHAS:

What I am trying to get at, Mr Speaker, is, is the Hon Member satisfied that that can also suffer a delay?

HON J L MOSS:

Mr Speaker, again the Hon Member brings forward the question of a delay which I have not necessarily accepted earlier on.

HON G MASCARENHAS:

Mr Speaker, the projects are not going ahead in the Appropriation Bill or not included in the I&D Fund then they are suffering a delay.

HON A J CANEPA:

Has he not said, Mr Speaker, that it is contingent on a review of their housing proposals?

HON J L MOSS:

Mr Speaker, what we have said is that what we are looking is at the situation of housing to see where the new projects can go ahead.

HON G MASCARENHAS:

Mr Speaker, may I say that the St Anne's Middle School project was imminent, the tender notice was imminent and therefore that that will suffer a very serious delay. Does he agree with that?

HON J L MOSS:

Mr Speaker, I am slightly amused by the whole proceedings because suddenly we seem to be accused on the Government side of all sorts of delays after four weeks. The Hon Member was Minister for Education for four years and he did not hasten to carry out any of these projects.

HON G MASCARENHAS:

Mr Speaker, I beg to differ. The Government had a programme of replacing.....

MR SPEAKER:

No, you ask a question. Next question.

NO. 6 OF 1988

ORAL

THE HON G MASCARENHAS

Is Government proceeding with the planned construction of a new facility at the College of Further Education?

ANSWERTHE HON THE MINISTER FOR EDUCATION, CULTURE & YOUTH AFFAIRS

Mr Speaker, Government is aware of the urgent need to re-provide specialist workshop facilities and equipment for the College.

The Department and College are currently assessing a new option for the siting of these facilities which may provide a more cost-effective and long-term solution to the College's needs in this area. The re-provisioning of Building 'B' and the provision of the new equipment has, however, not yet been discarded.

SUPPLEMENTARY TO QUESTION NO. 6 OF 1988

HON G MASCARENHAS:

Mr Speaker, I think there is a mention of the new equipment which I will follow with question No.7.

MR SPEAKER:

May I perhaps interrupt here, I think we are going about things in a different way than we have done up till now. Perhaps I might mention to Government, that if they intend to answer more than one question together, then the questions affected, all the questions should be read at one and the same time, so that Honourable Members in the Opposition have a chance to ask supplementaries on all three of them. The way to do this is to say "Mr Speaker, I propose to answer Question No.6, No.7 and any other question at one and the same time, and then the three questions will be called and the Opposition would have prior Notice". What I will do is I will call Question No.7 and if there is any supplementary you wish to ask, please do. Next question.

THE HON G MASCARENHAS

Will Government proceed with the planned substantial injection of new equipment for the College of Further Education?

ANSWER

THE HON THE MINISTER FOR EDUCATION, CULTURE & YOUTH AFFAIRS

MR SPEAKER:

You can still say, "The question has been answered under Question No.6." Then supplementaries may be asked.

HON J L MOSS:

The Question has been answered under Question No.6.

SUPPLEMENTARY TO QUESTION NO. 7 OF 1988

HON G MASCARENHAS:

Is the Honourable Member aware that the College of Further Education is a B.Tech examination centre in its own right?

HON J L MOSS:

Mr Speaker, yes, I am aware of this.

HON G MASCARENHAS:

Is he also aware that by not making the necessary funds available for the injection of new equipment, Government is running the risk of losing the status of an examination centre?

HON J L MOSS:

Mr Speaker, there is no question of the necessary funds for B.Tech examinations not being made available.

HON P C MONTEGRIFFO:

Mr Speaker, to what extent does the Government review of the position on the College of Further Education depend on their training schemes and the relationship that one might have with the other, or are they totally separate?

HON J L MOSS:

Mr Speaker, it is a totally separate issue.

2.

HON G MASCARENHAS:

Mr Speaker, is the Honourable Member actually committing himself to seeking supplementary provision later on?

HON J L MOSS:

Mr Speaker, what I have said is that we are reviewing the situation and that we will provide any necessary funds for B.Tech courses.

MR SPEAKER:

Next question.

29 4 88

NO. 8 OF 1988

ORAL

THE HON G MASCARENHAS

Will Government state whether sport will remain under the Head of Expenditure of the Department of Education?

ANSWER

THE HON THE MINISTER FOR EDUCATION, CULTURE & YOUTH AFFAIRS

Mr Speaker, Council of Ministers has already directed that the question of running sporting facilities from the Education Department should be looked into and a report prepared for Council's consideration. Any changes that take place will clearly be reflected in the estimates of expenditure in next year's budget.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Will the Minister for Labour and Social Security make a statement of policy on matters for which he is responsible?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, since I am being asked to make a statement of policy on matters for which I am responsible, and as Question No.10 which refers to pensions and Question No.15 which seeks information on training schemes both form part of the policies on areas for which I am responsible, with your indulgence I would propose to answer Questions Nos.10 and 15, together with Question No.9.

Mr Speaker, as you will no doubt appreciate, to make a detailed statement of policy on every single matter for which I am responsible, would take up too much of the House's time and I would therefore try to be as brief as possible and only highlight the main areas on which our policies will be reflected during our term in office.

The Government is concerned, Mr Speaker, at the relatively high number of unemployed Gibraltarians. At present there are over 300 Gibraltarians most of whom are seeking employment. It is the Government's intention through its investment programme to create economic activity which would generate extra demand for labour and thereby offer job opportunities for the unemployed in the near future.

The Government will soon be legislating to set up a statutory board to be known as the Gibraltar Training and Employment Board. This Board will be responsible for monitoring and co-ordinating supply and demand on the labour market and will also ensure to provide school leavers, who do not undertake higher education or immediate employment, with training facilities to prepare them for the jobs on offer. Details of the training schemes will be provided by this Board in due course. It is expected that this Board will be operating by next September.

At present, Mr Speaker, the Government has two training centres. It is our intention to amalgamate both centres within the GSL complex. This would release the site at Landport Ditch for future development.

It is also the Government's intention to re-site both Government hostels. This would again release land at Devil's Tower and Casemates for future development.

Mr Speaker, as was explained clearly in our electoral manifesto, it is the intention of this Government to implement a new scheme which will effectively reduce the age of entitlement for a state income before the current pensionable age of 65 years. A social wage will be introduced and it is expected that the age of eligibility will be reduced to 60 during this term of office. A caveat was placed on this commitment which refers to the outcome of the problem of pensions to former Spanish workers which is currently under discussion. This is a problem inherited from the previous administration and which could place the entire system of social security at risk.

The Government is committed to reviewing the income of certain senior citizens who are not included in the pension scheme.

It is our intention, Mr Speaker, to provide sheltered employment for those handicapped and disabled who can undertake such employment. Several options to provide for the needs of other handicapped and disabled are currently under review.

It is our policy to credit Social Insurance Contributions to unemployed persons over 60 as from the 1 January 1988. I will have more to say on this and other issues raised during my contribution on the Appropriation Bill, Mr Speaker, and I would apologise for this rather lengthy reply. Thank you.

SUPPLEMENTARY TO QUESTION NOS. 9, 10 AND 15 OF 1988

HON R G VALARINO:

Mr Speaker, could the Honourable Member say how the Government will fund this commitment of this social wage from 60 to 65?

HON R MOR:

Mr Speaker, when that happens, it will be brought to the House.

HON R G VALARINO:

Mr Speaker, will this affect the retirement age of industrials?

HON R MOR:

No Sir.

HON R G VALARINO:

Mr Speaker, how does Government propose that the lowering of pensionable age to 60 will assure Gibraltarian pensioners the maximum rate?

HON R MOR:

Mr Speaker, what we are talking about is not lowering pensionable age as such. What we are talking about is introducing a new scheme, whereby a social wage will be payable for those under 65.

HON R G VALARINO:

Mr Speaker, will this social wage be tax-free?

HON R MOR:

Mr Speaker, when we bring it to the House, we will be announcing whether it will be taxed or not.

HON R G VALARINO

Mr Speaker, he has no idea yet whether the scheme will be tax-free or not, has he got any idea how much it will cost?

HON R MOR:

Mr Speaker, it is at present under review, the final details have not yet been decided.

HON R G VALARINO:

I see, so you are reviewing the situation, just like Mr Fagin.

HON A J CANEPA:

Mr Speaker, has the Minister taken account of the fact, that in fact old age pensions are tax free, and therefore the relevance that that has of the question of the introduction of a social wage?

HON R MOR:

Mr Speaker, everything will be taken into account when we bring this to the House.

HON A J CANEPA:

Sir, what relevance does the lowering of pensionable age or the introduction of a social wage have with the question of Spanish pensions given the commitment of the GSLP Government not to pay a penny to Spanish pensioners.

HON R MOR:

Mr Speaker, this is precisely why when we talk about this new scheme we do not refer to it as the pension scheme. It may happen that we may have to do away with the pension scheme altogether if we are to avoid paying the Spanish pensions.

HON R G VALARINO:

Mr Speaker, the Honourable Member said that there was a large number of unemployed Gibraltarians. Could he let me know what percentage of the total working force this is?

MR SPEAKER:

I think, the Honourable Minister made it a figure of 300.

HON R G VALARINO:

Yes, but what percentage of the total working force.

HON R MOR:

Mr Speaker, at the moment of this overall total it should concern about 3%, but if it is considered as a percentage of actual Gibraltarians in work it would of course be much higher.

HON A J CANEPA:

Sir, having regard to the answer that the Honourable Minister has given in respect of the Spanish pensions, does that mean that the lowering of pensionable age or the introduction of a social wage of people aged between 60/65, that there are no financial constraints put on that?

HON R MOR:

No Mr Speaker, no financial constraints.

HON M K FEATHERSTONE:

Mr Speaker, does this 300 unemployed persons include those persons who would normally be termed as unemployable?

HON R MOR:

Mr Speaker, we do not consider that there are any persons unemployable. Whilst it might be accepted that there could be some people who are difficult to employ. Of those 300, there could be a maximum of about 50.

HON R G VALARINO:

Does the Honourable Member know that there is an EEC Directive that pensionable age for men and women should be the same and the introduction of a social wage will not go towards this aim.

HON R MOR:

Mr Speaker, the Honourable Member was aware of this when he was the Minister for Labour and Social Security, why did he not implement it then?

HON A J CANEPA:

Answer the question that the Honourable Member has been asked, Mr Speaker.

HON R MOR:

We are aware, Mr Speaker.

HON LT-COL E M BRITTO:

Does the Honourable Minister intend to move both Government hostels or just the Devil's Tower Government hostel?

HON R MOR:

The intention is to move both.

HON LT-COL E M BRITTO:

Mr Speaker, will the Honourable Minister give us an indication to where they will be moved to.

HON R MOR:

At the moment, Mr Speaker, we are studying all the sites which will be available in the future and it is a matter which will be considered in due course.

HON R G VALARINO:

Mr Speaker, any idea of the funds involved in moving both hostels?

HON R MOR:

Mr Speaker, this is part of an overall project which at present has not been completely costed yet.

HON P C MONTEGRIFFO:

Will Government now confirm therefore, that its position on the lowering of pensionable age or the social wage depends on its legislating to avoid the liability to pay Spanish pensions if that liability is deemed to exist?

HON CHIEF MINISTER:

Mr Speaker, perhaps I can help the Honourable Members opposite.

HON A J CANEPA:

No, you can help the Honourable Minister.

HON CHIEF MINISTER:

The Honourable Minister has already given the answer and the Honourable Members have not understood him, so perhaps they

will understand it from me, since they are used to hearing me. The provision in the manifesto of the GSLP before the election was that we would implement a social wage in parallel with the existing social security system. Whether the social security system can survive as it is now, depends on what happens with Spanish pensions. Should the social security system not survive as it is now, then what will be done on the social wage will be integrated or maybe integrated in what is done to replace the social security system as it is now. So, in fact, although the actual amount that is paid or is not paid to former Spanish pensioners will not affect the money available for the social wage, it may affect the methodology.

HON P C MONTEGRIFFO:

Mr Speaker, but has it not been GSLP policy, and hence presumably now Government policy, that notwithstanding legal, moral or any other type of commitments, that there will be no payment to Spanish pensioners over and above the Spanish sub-fund and if this is the case, does not financially the matter have no relevance to the question of payment of the wage.

HON CHIEF MINISTER:

That is precisely what I have just told him, Mr Speaker. I do not know what he is asking me. I have just said that it has nothing to do with money, it has to do with methodology, and then he asks me, whether it means that it has nothing to do financially, that is right, money and financial are the same thing for the Honourable Member's benefit.

HON P C MONTEGRIFFO:

Well I am glad, that now we have understood it, certainly we had not before.

HON P C MONTEGRIFFO:

Can the Honourable Minister please confirm whether in the proposed training schemes, there will be room for adult re-training or whether this will be exclusively based for youth training.

HON R MOR:

Mr Speaker, I can confirm that there will definitely be training available in general terms and not specifically to any particular area.

HON P C MONTEGRIFFO:

Will the Honourable Minister also confirm, what new skills it is intended that the training schemes will introduce, and in particular to what extent these skills are going to be linked to the Joint Venture Companies which Government intends to set up?

HON R MOR:

Mr Speaker, as I mentioned earlier on in the original reply, this will be a matter for the Gibraltar Training and Employment Board to plan.

HON P C MONTEGRIFFO:

Mr Speaker, does the Government not think that it is an inadequate answer, bearing in mind, surely it is for the Government to establish policy in general terms and one has assumed that there has at least been a skeleton of policy on this matter when the matter was put to a general election subsequently.

HON R MOR:

Mr Speaker, I have already mentioned earlier that we expect the Board to be operating by next September and that by that time all the available information should be made known.

HON P C MONTEGRIFFO:

Do I then understand it that at this stage Government has no view on the broad policy of what skills and what relationships these schemes will have to the Joint Venture Companies and other areas of the economy?

HON R MOR:

Mr Speaker, after five weeks in office we are not in a position at the moment to give a public view on this matter.

HON P C MONTEGRIFFO:

Can the Member confirm one way or the other, whether there will be any private sector involvement in the training schemes, in terms of funding or liaison of some other private nature, and what type of liaison will this take?

HON R MOR:

Mr Speaker, as I keep repeating, this is something which the Board has to decide when it is constituted.

HON A J CANEPA:

Mr Speaker, has the view been taken by the Government on the future of the Industrial Training Board?

HON R MOR:

Well again, Mr Speaker, this is something which will have to be reviewed in the future. Once we set up the Gibraltar Training and Employment Board, then everything will have to be taken into consideration, whether in fact, some Committees that exists should be kept going or not.

HON P C MONTEGRIFFO:

Can the Government explain how the Board will actually operate and how the decision making, how policy will be determined within the Board?

HON R MOR:

We are not prepared to go into that at this stage.

HON A J CANEPA:

Mr Speaker, if I can ask the Honourable Minister again about the two Government hostels. Can you confirm that after reprovisioning the Government hostels, the vacated sites will be used for housing or will they be for other use.

HON M A FEETHAM:

The whole question of the Government Development Project is at the moment being reviewed and that sort of consideration will form part of the Government's overall policy. Whether in fact, it will be for housing or for any other type of development.

MR SPEAKER:

Next question.

29 4 88

NO. 10 OF 1988

ORAL

THE HON DR R G VALARINO

Will Government commit itself definitely to lowering pensionable age to 60 in their four years of office?

ANSWER

THE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

This Question was answered together with Question No.9.

29 4 88

NO. 11 OF 1988

ORAL

THE HON DR R G VALARINO

Will the Minister for Labour and Social Security allow Members of the Opposition to have copies of the Actuarial Review of the Social Insurance Fund once received?

ANSWER

THE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, once the Actuarial Review of the Social Insurance Fund is received and considered by Government, copies will be made available to Opposition members on the same basis as when we were in Opposition.

SUPPLEMENTARY TO QUESTION NO. 11 OF 1988

HON R G VALARINO:

Mr Speaker, when does the Honourable Minister expect to receive the Actuarial Review?

HON R MOR:

At the moment, Mr Speaker, we do not have date.

HON R G VALARINO:

Have you pressed UK on the matter?

HON R MOR:

Mr Speaker, I have been pressing on other matters.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Can Government give the latest available figures for employment in Gibraltar arising directly out of the return of insurance cards at the end of 1987?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, the number of insured persons in Gibraltar as at the end of 1987 was 14,018, regrettably this did not involve a significant reduction in the number of unemployed Gibraltarians. Since then the level of the insured population appears to have declined somewhat in the early part of this year as is reflected by a corresponding increase in unemployment. The Government is monitoring the situation closely and will ensure that employment opportunities exist for Gibraltarians as soon as this is possible.

SUPPLEMENTARY TO QUESTION NO. 12 OF 1988

HON R G VALARINO:

Mr Speaker, may I have a breakdown between males and females and how has this figure changed or increased since 1986?

HON R MOR:

Mr Speaker, we will provide the information if the Honourable Member requests it and if he wants he can come and have coffee with me at the office.

HON R G VALARINO:

Mr Speaker, I am grateful for the offer of a coffee. The Honourable Member should know by now that I have tea and not coffee, so I suppose that by the invitation, I am just as welcome to tea. I am sad that he has not got the figures available, because in February 1987, when he asked the same question, I was able to provide him with those same figures. Now has he got any idea at all what is the number of Gibraltarians out of this figure and at the same time provide a breakdown between male and female workers and how does this compare with the figure at the end of 1986.

HON A J CANEPA:

The Honourable Minister has not really answered the main question because the answer that he has given is, that there were 14,018 insured persons. But the question is, the latest available figures for employment. Does he have a breakdown, and if not could we have it, without having to go to his office for coffee, does he have a breakdown amongst those 14,018, how many are employed persons and how many are self employed?

HON R MOR:

Mr Speaker, I can supply the figure. In fact I did answer the question correctly because the available figure for employment in Gibraltar arises directly out of the return of insurance cards so the figure I was given was 14,018. This is broken down into employed persons, 13,413 and self-employed 605.

HON A J CANEPA:

Will the Minister confirm that this shows an increase on the figure from last year of employed persons from the top of his head, even if he does not have the information?

HON R MOR:

Yes, Mr Speaker, it shows an increase of about 700.

HON A J CANEPA:

I am very grateful for that answer.

HON R G VALARINO:

Mr Speaker, could I ask the Minister a simple question. Does he not have the breakdown because he does not have the figures available or because there is a deficiency of staff in the DLSS which has been unable to provide him with the figures.

HON R MOR:

No, Mr Speaker, I do not have the figures available here, but I would certainly be able to provide that figure.

HON R G VALARINO:

Mr Speaker, could he let me have the figures by the end of today.

HON R MOR:

We will try and do that, Mr Speaker.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Can Government say whether they intend to carry out a further survey at the frontier aimed at identifying persons working in Gibraltar without work permits?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, at this stage the Government has no intention of carrying out further surveys at the frontier in order to identify persons entering Gibraltar without work permits. The whole situation in verifying that the Employment Ordinance is complied with is at present being studied and the Government will be looking at how best this can be achieved. In this context the whole question of the Employment Ordinance is being reviewed and any changes that may be required will be brought to the House in due course.

SUPPLEMENTARY TO QUESTION NO. 13 OF 1988

HON R G VALARINO:

Mr Speaker, is the Honourable Member aware that at the last such survey it was found out that 350 did not have work permits?

HON R MOR:

Yes Mr Speaker, we are aware.

HON R G VALARINO:

Mr Speaker, is he not worried that there could well be an increase, especially in the building industry, and that the Government could well be losing revenue both in PAYE and Social Insurance?

HON R MOR:

Precisely, Mr Speaker, we are very aware, in fact we are concerned about this, and that is precisely why we are reviewing the whole situation, so that we can try and come out with the most effective manner of being able to control this.

HON R G VALARINO:

So, Mr Speaker, at the moment there is no indication that a survey will take place?

HON R MOR:

No Sir.

THE HON DR R G VALARINO

Will Government say whether they will now pay pensioners residing outside Gibraltar on a monthly basis?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, it is the intention of this Government to pay pensioners residing outside Gibraltar on a monthly basis.

Towards this end a careful study of the present method of payment is being carried out with a view to improving the present system.

SUPPLEMENTARY TO QUESTION NO. 14 OF 1988

HON R G VALARINO:

Mr Speaker, the Honourable Member is reviewing the situation. Could he let me know whether he has enough staff available to do this, because when I answered this question in reply to the Honourable Member's question, one of the biggest problems was that there were not enough people at the DLSS and there was a staff inspection taking place at the time. Could he let me know whether the number of people has increased or whether the staff inspection is going to carry on.

HON R MOR:

Mr Speaker, we have no intention of increasing the staff levels. What we are concerned about is the rather antiquated work practices which the Government has, and it is in this area by applying new work practices, introducing computers, the computerisation of records is how we see efficiency being increased.

HON R G VALARINO:

Mr Speaker, could the Honourable Member reply to the second part of the question, ie whether the staff inspection has been frozen for the time being.

HON R MOR:

Mr Speaker, as I have said, we have no intention whatsoever of increasing staff levels, and for the time being we will not consider any staff inspection in any area of Government.

HON R G VALARINO:

Mr Speaker, will the Honourable Member commit himself as to

when he will be able to start paying these pensioners monthly?

HON R MOR:

Mr Speaker, it is my intention to start paying Gibraltarian pensioners residing abroad very soon.

HON A J CANEPA:

So when the Honourable Member says that they have no intention of increasing staff levels. Is that a statement purely applicable to the Department of Labour, or is that a general statement of policy?

HON J BOSSANO:

Mr Speaker, the Government's policy in this area in terms of public expenditure will be explained by me at the Appropriation Bill.

MR SPEAKER:

Next question.

29 4 88

NO. 15 OF 1988

ORAL

THE HON P C MONTEGRIFFO

Can Government give full details of the new proposed training schemes?

ANSWER

THE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

This Question was answered together with Question No.9.

NO. 16 OF 1988

ORAL

THE HON M K FEATHERSTONE

Will Government state its policy with regard to the Gibraltar Health Authority and the medical services in general?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES & SPORT

Mr Speaker, I will be answering Questions Nos. 16 and 19 together.

The policy of the Government is that on which it was elected on the 25th March and which enjoys overwhelming support from the electorate. Our Manifesto clearly spelled out our commitments to the Health Authority and the Medical Services generally. In discharging that commitment the primary concern of the Government is to ensure that the resources are used in a way that is best for the patient and much of the wastage that was in existence under the AACR administration is now being eliminated and every penny is being scrutinised to ensure the benefits will go to the patients.

The GSLP Government is now required to redress an appalling and chaotic situation within our medical services.

SUPPLEMENTARY TO QUESTIONS NOS. 16 AND 19 OF 1988

HON M K FEATHERSTONE:

Mr Speaker, that answer does not state any policy whatsoever. I will ask first of all when are we going to get a Geriatrician as proposed by the Medical Review team?

HON M I MONTEGRIFFO:

The question of the Geriatrician is conditioned to the actual implementation of the generic prescribing.

HON M K FEATHERSTONE:

When are we going to get three extra doctors at the Health Centre, as proposed by the Review Team?

HON M I MONTEGRIFFO:

Mr Speaker, this is something that we have been asking in Opposition and therefore it is something that the Government is now studying and we have been told by the Gibraltar Health Authority that it is a problem as regards space, but I can assure the Honourable Member when we do decide to get the GPs, it will be done much faster than what the AACR have done when they have been in power.

HON M K FEATHERSTONE:

So the position is that they are reviewing the situation.

HON M I MONTEGRIFFO:

No, the position is, Mr Speaker, that at the moment there is a problem with accommodating the actual GPs that we have to bring over from England.

HON M K FEATHERSTONE:

Was that problem not solvable by moving part of the Department of Environmental Health to another venue.

HON M I MONTEGRIFFO:

Mr Speaker, it is not something that the Government, at this stage can do in five weeks.

HON M K FEATHERSTONE:

I thought they were going to do everything at lightning speed.

HON M I MONTEGRIFFO:

We are, Mr Speaker. I can assure the Honourable Member that what has been done at the moment with the Health Services is an improvement which is much faster than what the AACR have done in the years that they have been in power.

MR SPEAKER:

Next question.

THE HON M K FEATHERSTONE

What was the total sum submitted by the Gibraltar Health Authority as a 'departmental bid' over and above the 'Treasury allocation' as recurrent expenditure for 1988/89?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the Bid was one million pounds and that has been stopped and a detailed scrutiny is being made as to whether all of it is required. In the time available to us a thorough job could not have been done.

We consider it would have been irresponsible to have given approval of this money without giving it due consideration. Approval of any funds that are further required will be done through supplementary provision.

SUPPLEMENTARY TO QUESTION NO. 17 OF 1988

HON M K FEATHERSTONE:

Is it not the case then that with the lack of funds that are going to be made available, there will be a deterioration in the Health Service.

HON M I MONTEGRIFFO:

No, Mr Speaker, that is not the case.

HON M K FEATHERSTONE:

We shall have to see.

HON M I MONTEGRIFFO:

It will not be a deterioration as far as what has happened in the past, Mr Speaker.

HON M K FEATHERSTONE:

Is it not true that the Health Authority is becoming rather frustrated at the lack of funds available.

HON M I MONTEGRIFFO:

On the contrary, Mr Speaker, I have given a commitment to the Health Authority that any money that is required for immediate implementation will be made available by the GSLP Government because we are totally committed to the Medical Services.

NO. 18 OF 1988

ORAL

THE HON M K FEATHERSTONE

Does Government accept the Hill Report on the future of the nursing services and how will it be implemented if accepted?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the Government is committed to the Hill and Snee Reports and proof of this is the fact that immediately upon taking office we gave approval for the first phase of nursing vacancies to be implemented. However there will be a need to come back to the House for supplementary provision for these posts because the appropriate funding was not included by the past AACR Government in the Appropriation Bill before the House. Nevertheless the posts have already been advertised and the selection completed. Therefore in a short space of time, a marked improvement will be seen in the different wards. I need to remind the Opposition that according to Mr Hill in his report he says that it is a matter of regret that certain recommendations which are relevant today, contained in a comprehensive report submitted to the AACR Government by Clarke and Newey in 1977 were not implemented. It is precisely because of so many years of neglect that we find ourselves with insufficient nurses and inappropriate training procedures. The Hill Report will be implemented in consultation with the Staff Side.

SUPPLEMENTARY TO QUESTION NO. 18 OF 1988

HON M K FEATHERSTONE:

Will that include the 15% revision for the increase in pay for nurses as awarded in the United Kingdom?

HON M I MONTEGRIFFO:

That is part of the overall pay review, Mr Speaker.

HON M K FEATHERSTONE:

So you will need another supplementary for that?

HON M I MONTEGRIFFO:

Not necessarily, Mr Speaker.

MR SPEAKER:

Next question.

29 4 88

NO. 19 OF 1988

ORAL

THE HON M K FEATHERSTONE

Does Government accept the recommendations in full with regard to the future of the medical services in Gibraltar as proposed by the medical review team?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

This Question was answered together with Question No.16.

29 4 88

NO. 20 OF 1988

ORAL

THE HON M K FEATHERSTONE

Why has the Minister for Health reversed the agreement made by the previous Government whereby the pharmacists late opening hours should be from 7 pm to 9 pm instead of the present 9 pm to 11 pm?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the Minister for Medical Services and Sport has not reversed the agreement made by the previous Government.

A decision has been taken to defer the implementation of the previous Government's agreement in order to allow sufficient time to consider the effects which would be experienced by patients. This Government does not wish to introduce changes in late opening hours until it is convinced that there will be no detriment to the service.

Once a decision is reached its implementation will be discussed fully with the retail pharmacists and there will be appropriate publicity before any changes are introduced.

SUPPLEMENTARY TO QUESTION NO. 20 OF 1988

HON M K FEATHERSTONE:

Does the Minister appreciate that the pharmacists claim that they do practically no business between the hours of 10 and 11 o'clock; and it is also a strain for them to have to be alone in the shop at such late hours, when there are possible threats of drug users trying to obtain drugs from their chemist shops.

HON M I MONTEGRIFFO:

We are aware in the short space we have been in power of all that the Honourable Member has said, and I must inform him that the pharmacists are now willing to wait for this Government to actually decide on the actual implementation of the hours, and they are willing to give us time.

HON M K FEATHERSTONE:

How long will we have to wait for the Government to review the situation?

HON M I MONTEGRIFFO:

Well it is up to the pharmacists, Mr Speaker.

HON A J CANEPA:

Mr Speaker, will the Honourable Minister give an assurance that the decision arrived at and the agreement reached, will be entirely on the merits of the matter and will not be in any way clouded by the fact that it was us who had entered into a previous agreement to change the hours.

HON M I MONTEGRIFFO:

Yes, Mr Speaker, I am willing to give that assurance.

MR SPEAKER:

Next question:

NO. 21 OF 1988

ORAL

THE HON LT-COL E M BRITTO

Can the Minister for Sport state what new arrangements she intends to make for the management of all matters related to sport?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the Government is not prepared at this stage to state the new arrangements for the management of matters related to sport because in the short space of time available to us, we have not had the opportunity to approach those concerned. A statement will be made once a final decision has been agreed. In this area as in others, the GSLP did not commit itself to complete the whole of its 4 year programme in its first month in office.

SUPPLEMENTARY TO QUESTION NO. 21 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, is the Minister aware that she gives me the impression as I have gathered in the answers to other questions, that the GSLP in Opposition formed policies which they put down in their manifestos, and which they have referred to in their manifestos consistently in their answers today. Now in answer to questions, they are telling us that they have to study the situation because they have only been four weeks in office, etc, etc. Is she aware that by implication, what she is saying is that what is contained in the manifesto would appear to be promises that have been made without due study to their implications or their costings, and therefore may not be able to be kept.

HON M I MONTEGRIFFO:

Mr Speaker, perhaps the Honourable Member, because he has not been in Government before does not realise the chaotic situation the GSLP find themselves because of the legacy we have inherited from the previous Government. What I am saying is that we will complete it, but in two weeks time, it is an impossibility because of the chaotic situation that we find ourselves in.

HON LT-COL E M BRITTO:

Mr Speaker, again we are coming back to the same thing. Is the Minister not aware that what she is saying again is that she is blaming the past for not being able to implement a promise that she makes for the future, which bears no relationship for what has gone on before, because the creation of a new sporting body bears no relationship to the arrangements

that have gone on in the past. Presumably, the GSLP have considered it necessary to create a new sporting body. It means that they have studied what they allege to be mismanagement by the previous Government, consider it not to have been acceptable and consider that something different is better. And if this is what the Minister is saying she should be in a position not to implement it in the first four weeks in office, that is not what I am saying, but in a position to tell us the framework, the skeleton of what she intends to implement at some stage in the future. That is all I am asking, the general idea.

HON M I MONTEGRIFFO:

Mr Speaker, the Honourable Member must be aware that the number of Associations total 24, and therefore, in the short space of time that we have had available to us, and the pressing needs that we have had to try and redress impending a very important situation, it is impossible for us, within the time available to us of a couple of weeks to be able to have actually consulted those affected. That is what I am saying, Mr Speaker.

HON A J CANEPA:

Mr Speaker, did not the Honourable Minister, when she was the Shadow Minister for Sport have all the contact that she wanted to have during the years in the Opposition, with the various sporting bodies?

HON M I MONTEGRIFFO:

Mr Speaker, that is precisely the answer that I have given before, because I have had a lot of contact with the sporting societies, is more of a reason why we should consult them even more within the arrangements that we need, because even in sport, the situation is quite appalling, Mr Speaker.

HON LT-COL E M BRITTO:

Mr Speaker, will the Minister then undertake to give me as soon as she is able, an overall idea of what she intends to do for the regulation of sport?

HON M I MONTEGRIFFO:

Yes, Mr Speaker, but this will be done after we have agreed with those people who are affected.

MR SPEAKER:

Next question.

NO. 22 OF 1988

ORAL

THE HON LT-COL E M BRITTO

Is the Hon Minister aware that it was the intention of the Minister for Sport in the previous administration to increase the grant to sports associations for the financial year 1988/89?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the GSLP was the first party to commit itself to substantially increasing the amount made available for grants to sporting associations. Although the AACR also mentioned in their Manifesto a commitment to increase grants. It was shortly after taking up office, when the Draft Estimates of Expenditure were made available to me, that I became aware that the Departmental Bid had been increased by £10,000. However, this in itself is not confirmation that the previous Government would have approved this Bid. I must point out that the increased Departmental Bid by the previous administration in any case falls short of the amount which will be provided by this Government, which happens to be £40,000.

SUPPLEMENTARY TO QUESTION NO. 22 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, I trust the Honourable Lady is aware that I welcome in principle, the commitment to increase funds, and I am not in any way criticising Government for doing so. I am glad she confirms that it was the intention of the previous Minister to increase the funds for this year. With that in mind, can she say, why did the Government find it necessary so shortly after coming into office to publicise the fact that they were doubling the figure from £15,000 to £30,000 without giving credit to the previous administration for intending to raise it to £25,000.

HON M I MONTEGRIFFO:

Mr Speaker, perhaps again because the Honourable Member has not been a Member of the House of Assembly, he is not aware that in previous budget speeches that I have given, I have actually given commitments that the grant would be substantially increased by this administration, and this we have done already as a commitment.

HON LT-COL E M BRITTO:

Mr Speaker, the Honourable Minister may not be aware that I am indeed aware of the comments that she has made in previous budget speeches, but that is not the point that I am making. The point that I am making is that, it would seem that we have

been told today in some cases when it suits the Government that what is in the Draft Estimates was the intention of the previous administration to bring to realisation and when it suits them, we have been told that it was not a commitment, as I have been told now.

HON CHIEF MINISTER:

I do not think that we have ever said, that we know or we knew what the intentions of the AACR were had the AACR won the elections. What we are saying is, there was a whole range of bids. We understand from comments made by the Leader of the Opposition in a Press Conference, that even if they had got elected, they would not necessarily have said yes to everything. They themselves, the AACR presumably in past administrations have looked every year at things and decided to say yes to something and no to others. We know what the bids were, we do not know what the priorities would have been if we were not there. We are looking at those bids with our own responsibilities for priority, that is all we are saying.

HON LT-COL E M BRITTO:

Will the Minister explain, Mr Speaker, why having announced in a Press Release, that the provision for grants to sporting bodies, was being doubled, presumably from £15,000 to £30,000. They have in fact then gone beyond £30,000 and increased it to £40,000.

HON M I MONTEGRIFFO:

Well, Mr Speaker, this is something that I was going to explain in my contribution to the Appropriation Bill and therefore if the Honourable Member will await my explanation.

MR SPEAKER:

Next question.

29 4 88.

NO. 23 OF 1988

ORAL

THE HON LT-COL E M BRITTO

What is Government's estimate of the total cost of under-writing Gibraltar's participation in the forthcoming Island Games?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Sir, once the Island Games Association of Gibraltar submits full details of the final number of participants and the estimated total cost and how much they expect to raise through sponsorship and other fund raising measures, Government will be in a position to know the cost of under-writing this venture.

SUPPLEMENTARY TO QUESTION NO. 23 OF 1988

HON LT-COL E M BRITTO:

Is the Minister telling me that Government has committed itself to underwriting the cost without knowing what the cost will be?

HON M I MONTEGRIFFO:

No, Mr Speaker, we have an idea, but it is up to the actual Small Island Games to come up with the actual figures at the end of the day once they actually exercise the ability to raise funds through their own means.

HON LT-COL E M BRITTO:

Can the Minister enlighten me what that idea is.

HON M I MONTEGRIFFO:

Not at this stage Mr Speaker. We would have to consult the Small Island Games before I can commit myself to that sort of an answer.

HON LT-COL E M BRITTO:

Mr Speaker, does the Minister have an idea how many and which sports will be represented in the Island Games.

HON M I MONTEGRIFFO:

No, Mr Speaker. I have no idea at this stage because the Small Island Games themselves are still not aware of the full participation of the sporting associations that will be represented.

HON LT-COL E M BRITTO:

Mr Speaker, can the Minister then confirm that the intention is for a part of the cost to be provided by Government and the part of the cost to be provided by the association concerned.

HON M I MONTEGRIFFO:

Well, Mr Speaker, when we talk about underwriting, we mean underwriting the costs after the Association has been able to exercise the ability to raise funds.

HON LT-COL E M BRITTO:

In other words, the answer to the question is yes.

HON M I MONTEGRIFFO:

Yes, Mr Speaker.

HON LT-COL E M BRITTO:

Has the Minister any idea of what her intentions are going to be on what proportion is going to be provided by Government?

HON M I MONTEGRIFFO:

It depends again, Mr Speaker, as I have already said in my answer of the fund raising abilities of the actual Small Island Games Association.

HON LT-COL E M BRITTO:

And finally, Mr Speaker, can the Minister give me an idea of what financial controls will be imposed on such grants which I expect to be of considerable magnitude to associations in similar circumstances.

HON M I MONTEGRIFFO:

Mr Speaker, we will still have to see what submissions are given to the Government by the Small Island Games.

HON A J CANEPA:

Presumably, Mr Speaker, the Honourable Minister will look to last year's efforts as a yardstick in respect to fund raising.

HON M I MONTEGRIFFO:

We will go further than what happened last year, Mr Speaker.

HON A J CANEPA:

What I am saying is that she will presumably expect the participants to be able to achieve the level of fund raising commensurate to what was achieved last year.

HON M I MONTEGRIFFO:

But we are going further than that, Mr Speaker, because anything that they cannot come up with we will underwrite.

HON G MASCARENHAS:

Mr Speaker, is the Honourable Member then saying that, for example, if the total cost of a project is £100,000, the Association has sponsorship of the extent of £20,000, the Government will underwrite £80,000.

HON M I MONTEGRIFFO:

That is a hypothetical question, Mr Speaker.

MR SPEAKER:

Yes indeed.

HON K B ANTHONY:

Mr Speaker, can I ask the Minister, if her idea of a figure has got a tentative limit beyond which the Government will not go?

HON M I MONTEGRIFFO:

At this stage, we have not, Mr Speaker.

HON LT-COL E M BRITTO:

Mr Speaker, can the Minister enlighten me whether this reflects Government policy in subvention of sport in general in terms of underwriting participation of associations in general outside Gibraltar?

HON M I MONTEGRIFFO:

Mr Speaker, this is nothing to do with the question that I have been asked as far as the Small Island Games are concerned.

MR SPEAKER:

It certainly has to do with the contribution of Government to sporting bodies. In other words your reply can perhaps be 'That the general subvention to sport has not been considered'.

4.

HON M I MONTEGRIFFO:

It has been considered, Mr Speaker, that is when I said that I would give an explanation in the Appropriation Bill.

HON G MASCARENHAS:

Mr Speaker, will the Honourable Member agree with me that having regard to the numbers that went to the Island Games the last time, that the figure to the Faroe Islands forthcoming games will be over £100,000?

HON M I MONTEGRIFFO:

We do not know yet, Mr Speaker, because the Small Island Games themselves do not know.

MR SPEAKER:

Next question.

29 4 88

NO. 24 OF 1988

ORAL

THE HON LT-COL E M BRITTO

Can the Minister for Sport state how the agreement reached by the previous Government to provide an Olympic-size swimming pool will be affected by the Government's policy in respect of the Montagu Basin Housing Project?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Sir, although amendments to the Licence Agreement, entered into by the previous Government with the developers of the Montagu Basin Housing Project in connection with the land reclamation, are currently being considered, the provision of an Olympic-size swimming pool will remain a condition of the said agreement. However, the matter will be the source of further consultation with GASA and the swimming pool will be completed during our first term in office.

SUPPLEMENTARY TO QUESTION NO. 24 OF 1988

HON LT-COL E M BRITTO:

Will it proceed in general in all respects as agreed by the previous administration or do you envisage substantial changes?

HON M I MONTEGRIFFO:

Not necessarily, Mr Speaker, as I have said before it would proceed in consultation with GASA.

MR SPEAKER:

Next question.

NO. 25 OF 1988

THE HON LT-COL E M BRITTO

What is Government's policy regarding advertising at the Victoria Stadium?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Sir, the policy to be adopted by the Government as regards advertising at the Victoria Stadium Sports Centre is at present under consideration.

The Government will deal with specific proposals on their merits. It is intended to keep the question of advertising under review. There are no pre-determined unchanging rules.

MR SPEAKER:

Next question.

THE HON LT-COL E M BRITTO

How many sporting associations need to seek recreational facilities away from Gibraltar, and what is Government policy in this respect?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Sir, there are sporting associations, such as those governing swimming, athletics, squash and possibly others, that may need to seek recreational facilities away from Gibraltar. Government proposes to establish an on going process of consultation with all sporting associations in Gibraltar to ascertain and monitor their needs so as to be able to formulate whatever policy may be necessary to alleviate this situation. The problems that are being encountered are no doubt the result of the past Government's negligence in providing more sporting facilities. We expect that over the next 4 years a noticeable improvement will have taken place.

SUPPLEMENTARY TO QUESTION NO. 26 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, is the Minister aware that the reply she now gives which is vague and commits herself to nothing is totally different to what she said or what the GSLP said in their manifesto, which I quote, says "We believe that Gibraltarians should not be forced as is happening today to seek recreational activities outside their homeland".

HON M I MONTEGRIFFO:

And does the Honourable Member expect the GSLP in two weeks to provide sporting facilities overnight, Mr Speaker?

HON LT-COL E M BRITTO:

Mr Speaker, no, is the answer to that question.

MR SPEAKER:

Let us not get into a position where the Government is asking questions.

HON LT-COL E M BRITTO:

Mr Speaker, that is exactly what I was going to say. I hope it is not the Minister's intention to ask me questions. If I can relate her back to the original question. Is she aware

that I have not in any way committed her or tried to commit her to any time scale, and I hope it is not going to be Government policy to do this to my questions continually. Neither have I made any attempt to reflect on the past. What I am asking, if I can go back to the original question, is having seen a commitment from the GSLP to provide recreational facilities for all sports, what I am asking is, what are their intentions and how they intend to do this and what are the sporting associations affected.

HON M I MONTEGRIFFO:

Mr Speaker, I have already answered that question and it will reflect to the last part of my question, I said, that within the next four years we will see a noticeable improvement in sporting facilities in Gibraltar.

HON LT-COL E M BRITTO:

Mr Speaker, do I then take that to mean that it is the intention of the Government to attempt to provide recreational facilities for a large number of associations on the Rock that do not have the recreational facilities already, which I would welcome, may I add.

HON M I MONTEGRIFFO:

Mr Speaker, what I am saying is that he will see an improvement as far as the performance by the past Government, we will improve that performance.

HON A J CANEPA:

Mr Speaker, that may answer the second part of the question, but she is not answering the first part, where we require an indication of numbers. In making the kind of statement that the GSLP made in their manifesto, one would have imagined, Mr Speaker, that the Honourable Minister, when she was then the Shadow Member would have done the necessary research and that she would really have some indication, instead of just making a vague accusive statement such as that one.

HON M I MONTEGRIFFO:

Mr Speaker, I am not giving a vague indication. What I have said is that I have already had representations made by many sporting associations that have found sporting facilities in Gibraltar are lacking and have given examples and said that there are possibly others in the same position and I have given a commitment now that in the four years that we are in office, we will improve the facilities that are presently available.

HON A J CANEPA:

How many organisations have made such representations, Mr Speaker, five, six, fifteen?

HON M I MONTEGRIFFO:

I have said in my original answer, Mr Speaker. If the Member wishes I will reply again.

HON A J CANEPA:

Yes reply.

HON M I MONTEGRIFFO:

There are sporting associations such as those governing swimming, athletics, squash and possibly others that may need to seek recreational facilities away from Gibraltar. Government proposes to establish an on-going process of consultation with all sporting associations in Gibraltar to ascertain and monitor their needs so as to be able to formulate whatever policy may be necessary to alleviate the situation. The problems that are being encountered are no doubt the result of the past Government's negligence in providing more sporting facilities. We expect that within the next four years a noticeable improvement will have taken place.

HON G MASCARENHAS:

Mr Speaker, is the Honourable Member aware of the attempts that were made to have more squash courts in conjunction with the squash racket.....

MR SPEAKER:

No, we are not going to go into details,

HON LT-COL E M BRITTO:

Mr Speaker, with respect, can the Minister enlighten me on one point she made to the last but one supplementary, when she talks about improving existing facilities, are we talking about improving existing facilities or are we talking about committing yourselves to helping associations who do not have facilities as well as existing facilities.

HON M I MONTEGRIFFO:

We are committing ourselves in looking overall at the question of present facilities, and as I have already said in my question, Mr Speaker, I have said that in the four years that we are in office, the Opposition will see a marked improvement in the facilities that are available today.

MR SPEAKER:

The answer is clear, the Minister has clearly stated that she is looking into improving existing facilities, but she is also looking into the question of providing further facilities. I think we have had an answer to that. Next question.

29 4 88

NO. 27 OF 1988

ORAL

THE HON LT-COL E M BRITTO

Can Government say what its policy will be regarding charging sportsmen/sportswomen for the use of sports facilities?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Sir, the Government does not intend to charge sportsmen/sportswomen for the use of sports facilities. Should it consider it feasible to change its policy in the future, it will be done in consultation with those affected.

SUPPLEMENTARY TO QUESTION NO. 27 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, I am grateful to the Minister for that answer and I thank her.

MR SPEAKER:

Next question.

29 4 88

NO. 28 OF 1988

ORAL

THE HON K B ANTHONY

Is it Government's intention to reimburse the TGWU for loans made to workers who were put off pay at:-

- (a) Waterport Power Station
- (b) the Telephone Trunk Operators Department?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

No Sir.

SUPPLEMENTARY TO QUESTION NO. 28 OF 1988

HON K B ANTHONY:

Mr Speaker, it was announced previously by the GSLP that they intended to do this. Can you please tell the House why you reversed your decision?

HON J C PEREZ:

Mr Speaker, the Government has not reversed its decision. Government will be reimbursing the workers concerned for the monies deducted. The arrangement between the TGWU and its members is a matter for them to sort out.

HON K B ANTHONY:

Mr Speaker, this appears to me to be a case of semantics. Are you going to pay the workers when they have already been paid by the Transport and General Workers Union.

HON J C PEREZ:

It is not a question of semantics, Mr Speaker, the Honourable Member will no doubt be aware that there is a contract of employment between the workforce and the Government. TGWU is not employed by the Government, and therefore it is a very important point that we should be reimbursing the workers and not the TGWU.

HON K B ANTHONY:

Mr Speaker, is the Minister not aware that these people were put off pay, what are their reasons for their decision now to pay them?

HON J C PEREZ:

Mr Speaker, on the question of the Waterport Power Station, that was a commitment given by the previous administration already. On the question of the Telephone Operators, Mr Speaker, the Government feels that it was unjustified to put people off pay, particularly as after one year without pay the previous administration accepted everything that they wanted and they came in on the conditions that they were asking for originally.

HON K B ANTHONY:

Mr Speaker, is this retrospective payment to the workers going to be reflected in the Estimates 88/89?

HON J C PEREZ:

Mr Speaker, the Honourable Member must be aware of the position of the Estimates. I am not quite sure whether the previous administration have made any provision for the reimbursement for Waterport Power Station which they had already committed to do. If it is not, we will have to bring in supplementary expenditure to meet the commitment of the past administration.

HON A J CANEPA:

Will the Minister undertake in fact to do precisely that. To come to the House for specific authority as to the amounts involved in the reimbursement of these workers and not hide it under an overall Estimate in respect of the Appropriation Bill which is approved later next week.

HON J C PEREZ:

No, Mr Speaker, we see no reason to do this. But in any case, I would suppose that the Honourable Member had he been in Government with the commitment he had in Waterport Power Station would have not done it in that way either.

HON A J CANEPA:

Will the Minister undertake to provide the House with information as to the amounts involved?

HON J C PEREZ:

Mr Speaker, when we have the information ready, yes.

HON A J CANEPA:

Mr Speaker, is the Minister then saying that they will reimburse the workers and it is up to the workers if they so wish to enter into whatever arrangements with the TGWU in respect of the loans that they have received from the Union.

HON CHIEF MINISTER:

Mr Speaker, the Government of Gibraltar considers that the decision taken by the previous administration to put people off pay and then after a length of time to meet their claims in full was a disastrous policy of industrial relations. Specific instructions have been issued that people will no longer be put off pay and in all the areas outstanding claims from the workers affected will be met and the wages that were deducted will be restored, retrospectively. In some cases, I understand loans were received, in other cases loans were not received, but it is a matter for the Union and its members to decide whether the workers should repay the Union or whether the Union wants to be repaid. We are talking about the relationship between us as a Government and our employees and the reversal of the policy of the previous administration which the people of Gibraltar has supported in an election campaign a month ago, and which the Honourable Member opposite, the Leader of the Opposition has said he accepted that we have a mandate to govern and he would give us a chance to prove our ability to do it, he seems to be expecting us to perform miracles in five weeks.

HON A J CANEPA:

I am not going to enter into a debate at this stage, Mr Speaker, on the question of how they perform. I am sure I do not have to ask the Chief Minister, is he aware of the fact that we do not agree that in respect of these two disputes, the previous Government agreed to the claims that were in fact submitted by the Union?

HON CHIEF MINISTER:

Mr Speaker, of course the Honourable Member does not agree. That is why he is sitting on his side of the House and I am sitting on this one, because the majority of people agree with us and not with him.

HON K B ANTHONY:

Mr Speaker, does the Honourable Chief Minister mean that in future, if any workers do not want to work, walk out, they will still be paid?

HON CHIEF MINISTER:

What I have said Mr Speaker, is that in future industrial relations will be conducted in a sensible fashion and situations which are potentially capable of leading to lock-outs will be caught in time and prevented, and as the Honourable Questioner knows from his years as a worker and as a Trade Unionist, with sensible management and positive Government that is possible.

HON A J CANEPA:

Mr Speaker, is the Honourable Minister promising a paradise over the next four years and that industrial action is not going to be taken against the Government?

HON CHIEF MINISTER:

No, I wish I could promise that, but I can promise that everything humanely possible will be done by this Government to ensure that there are no disputes, because we believe that with commonsense and the hand of friendship, a lot of problems can be resolved before it gets to that stage. We believe that the machinery needs to be improved to ensure that things are tackled at an early stage and the Leader of the Opposition will have an opportunity to assess that for himself, both when I explain it in the Appropriation Bill and when he sees it in operation within the next twelve months.

HON K B ANTHONY:

One final question, Mr Speaker. Is the Chief Minister telling us that in his view, putting workers off pay is a lock-out?

HON CHIEF MINISTER:

Yes, I am saying that, Mr Speaker. In my view putting a worker off pay is a lock-out, it has been my view for sixteen years and I do not change my colours because I change sides in this House.

MR SPEAKER:

Next question.

NO. 29 OF 1988

ORAL

THE HON K B ANTHONY

Can Government confirm when they are going to make a full statement on the GIBTEL situation, which they have been promising for a number of weeks?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, a full statement on the GIBTEL situation will be made once the negotiations are completed. The Government will also make all the relevant documents public.

SUPPLEMENTARY TO QUESTION NO. 29 OF 1988

HON K B ANTHONY:

Mr Speaker, is the Minister not aware that in their manifesto, and I will quote if I may, Mr Speaker, they said "In International Communications, the dispute at GIBTEL will be resolved by the Government taking steps to secure a settlement of the outstanding claim with Cable and Wireless and this will happen immediately after the elections".

HON J C PEREZ:

Mr Speaker, as from the 1st day that we took office, the Government did intervene immediately and that is what I mean when I say that the statement will be made once the negotiations are completed:

(i) between the workforce and GIBTEL; and

(ii) between British Telecom and the Government as joint partners in the GIBTEL operation.

HON A J CANEPA:

Mr Speaker, can the Honourable Minister confirm that any agreement reached will not be at tax-payers expense?

HON J C PEREZ:

Mr Speaker, at present, I would not want to in any way prejudice either of the negotiations taking place and I would refrain from commenting on them, but I promise the Honourable Member that a full statement with full details will be made once all negotiations are completed.

HON P C MONTEGRIFFO:

Mr Speaker, can the Honourable Minister confirm that as far as Cable and Wireless is concerned that they have a discharge of any further liability in the matter and that the negotiations are exclusive to Cable and Wireless at this stage?

HON J C PEREZ:

Mr Speaker, the Government has not entered into any negotiations with Cable and Wireless. We are not answerable for Cable and Wireless in this House, we are answerable for our 50% share of GIBTEL.

HON P C MONTEGRIFFO:

Mr Speaker, is Cable and Wireless no longer an element of the equation and if they asked him so, for example, can I have details of whether the legal action is continuing or not.

HON J C PEREZ:

Mr Speaker, the Government.....

MR SPEAKER:

Order, I will allow you to answer specifically yes or no as to whether Cable and Wireless is still an element in the equation. We will not go into any details as far as Cable and Wireless are concerned.

HON CHIEF MINISTER:

Mr Speaker, the question seems to be about the relationship between Cable and Wireless and TGWU. I am not sure that Ministers are answerable.....

MR SPEAKER:

I think it is right, I think it is proper that you should be asked whether your negotiations with GIBTEL include any Cable and Wireless element, the answer is yes or no.

HON J C PEREZ:

Mr Speaker, no the negotiations with GIBTEL does not include that.

HON P C MONTEGRIFFO:

And as far as the Government is aware since it has an interest in the matter in its participation in GIBTEL. Has the Government information as to whether the Union has retracted its claim against Cable and Wireless that was pending certainly a few weeks ago.

HON J C PEREZ:

Mr Speaker, any information that we have confidentially from the Union we are not prepared to disclose. I am afraid we are not answerable for the Union and I am sure that if the Honourable Member were to contact the Union they might make the information available. But we as a Government are not answerable for the Union or for Cable and Wireless in this House.

HON P C MONTEGRIFFO:

But does not the Honourable Member accept that the information I am requesting has direct bearing on who will eventually pay and how much.....

MR SPEAKER:

Pay towards what?

HON P C MONTEGRIFFO:

Pay towards redundancy, because if the legal claim is abandoned, surely it is Government's responsibility to have the information and is this House and the people of Gibraltar not entitled to know what the state of the legal action is?

HON J C PEREZ:

Mr Speaker, as I said before, I am not prepared to comment on the on-going negotiations, because it could prejudice the Government and I have promised the other Members of the House that a full statement with full details will be made once this is completed. I will not say anything further on the matter because of the delicate situation currently taking place.

HON P C MONTEGRIFFO:

Mr Speaker, I do not want to press the point unnecessarily. Just one thing, I do not see how the Member cannot accept that there is no prejudice involved in simply stating whether Government has information, and if so, what type of information.....

MR SPEAKER:

Next question.

NO. 30 OF 1988

ORAL

THE HON K B ANTHONY

Can Government confirm whether the problem of redundancies in GIBTEL has been finalised, and if so, on what basis has it been concluded?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, there is no problem of redundancies at GIBTEL.

SUPPLEMENTARY TO QUESTION NO. 30 OF 1988

HON K B ANTHONY:

Mr Speaker, I was anticipating this answer because obviously the redundancies for former workers at Cable and Wireless who are now working at GIBTEL but are not working for GIBTEL, so again I have to use the term is the question of semantics.

HON CHIEF MINISTER:

We never employed those workers.

HON K B ANTHONY:

Right, Mr Speaker, there is no question of redundancies at GIBTEL but there are men working at GIBTEL who were redundant and who are not employed by GIBTEL. These are the men I am referring to. Is the Minister prepared to comment on this?

HON J C PEREZ:

Mr Speaker, I am not prepared to comment further than I have done in the previous question.

HON A J CANEPA:

Does the Minister agree with the line that the General Manager of GIBTEL took on this problem as reported in the Chronicle on Tuesday 26.

HON J C PEREZ:

Mr Speaker, that is a matter for the Board of GIBTEL, and as he must obviously have read in the Gibraltar Chronicle, the Minister refrained from commenting on the matter and that remains my position.

MR SPEAKER:

Next question.

NO. 31 OF 1988

ORAL

THE HON K B ANTHONY

Has the Government reached a settlement with Hawker Siddeley, arising from the blacking action on No.3 engine; and if so, what are the details of the settlement?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, Government has now approved the settlement on the contract for the third engine at Waterport Power Station.

The agreement was negotiated between the contractor, Hawker Siddeley Power Engineering, and Government Officials during the course of meetings held in Gibraltar at the beginning of March, at which the Government's Consultants were in attendance to advise Government.

The agreement was accepted by the contractor subject to ratification by Government. This had not been done before the election and has been approved by the present administration. The details of the settlement are as follows:-

- (a) A payment of £125,000 in full and final settlement of all claims for work done up to the 31 12 87.
- (b) No reduction from past or future claims in respect of the Government's contention that the Contractor failed at the relevant time to take all proper steps to mitigate its loss.
- (c) The Contractor to remain responsible for the two year warantee period under the terms of the contract.
- (d) In respect of future works under the contract, Government is prepared to agree to an escalation figure on the contract rates of 8% in respect of UK work, and 10% in respect of work attributable to Gibraltar.

SUPPLEMENTARY TO QUESTION NO. 31 OF 1988

HON A J CANEPA:

Mr Speaker, the figure of £125,000, the Honourable Minister has mentioned, will he be having to come to the House to seek specific appropriation of that amount.

HON J C PEREZ:

Yes, Mr Speaker, we will expect so because no decision had been taken by the previous administration and therefore it should not be included in this year's Estimate.

NO. 32 OF 1988

ORAL

THE HON K B ANTHONY

Can Government state when Set No.3 at Waterport Power Station will be coming on stream?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, it is anticipated that this set will be handed over before the end of the year.

SUPPLEMENTARY TO QUESTION NO. 32 OF 1988

HON K B ANTHONY:

Mr Speaker, does that mean that until such time as it comes on stream, we can anticipate further power cuts?

HON J C PEREZ:

Mr Speaker, there have not been any power cuts last winter and it is not anticipated that we should have power cuts.

MR SPEAKER:

Next question.

THE HON K B ANTHONY

What is the Government's policy on the use of the skid mounted generating plant?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, on taking office the new Government investigated the situation of the skid mounted generators and found that although they had cost £135,620.70 up to 24 March no use had been made of them and there had been no requirement for them. In order to prevent any further waste of public money immediate arrangements were made to terminate the hire agreement and return the generators.

SUPPLEMENTARY TO QUESTION NO. 33 OF 1988

HON K B ANTHONY:

Mr Speaker, is the Minister blaming the management for ordering these sets in the first place, is the Minister suggesting that the management did not know what they were talking about?

HON J C PEREZ:

No, Mr Speaker, I am blaming the AACR Government for this.

HON K B ANTHONY:

Mr Speaker, the set was ordered on the advice of the management, we act on the advice we receive from our experts. Are you saying that the management did not give the right advice.

HON J C PEREZ:

No, Mr Speaker, I am not saying that. It is the judgement of the Minister to accept advice given to him or not bearing in mind everything that he has been told. If the Minister decides to use public money in a certain way, at the end of the day it is his responsibility and his decision because he is answerable to this House. I therefore blame the previous Minister for having taken that decision.

HON A J CANEPA:

Will the Minister, not accept that in fact an unusually mild winter was a very important factor in the non-requirement of the skid mounted generators?

HON J C PEREZ:

Mr Speaker, that is a hypothetical situation. If it had not been a mild winter, we might have known something different,

but at present that is a completely hypothetical situation.

HON A J CANEPA:

Will the Minister not accept that the previous Government in taking the decision that it took was guided by the level of power requirements in previous winters?

HON J C PEREZ:

Mr Speaker, how the previous Minister arrived at that decision is not for me to say, it is for him or for the Honourable Member who was his Leader when he was in Government during the last three months.

HON A J CANEPA:

No, in fact the decision was taken even before I became Chief Minister.

MR SPEAKER:

Next question.

29 4 88

NO. 34 OF 1988

ORAL

THE HON G MASCARENHAS

When does Government think that the tender for the major improvement works to Bayside School will go out?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, the delays encountered by the previous administration in proceeding with the works at Bayside School have now disappeared.

It is envisaged that those Contractors selected to tender for these works shall be in receipt of Tender documents on or by 22 June 1988.

MR SPEAKER:

Next question.

29 4 88

NO. 35 OF 1988

ORAL

THE HON M K FEATHERSTONE

What is Government policy on the level of overtime on a regular basis in the Public Works Department and in what areas?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, the Government has not changed the overtime policy of the PWD in the short space of five weeks that it has been in office. The present overtime arrangements are therefore those in force when the Hon Member was in Government.

MR SPEAKER:

Next question.

NO. 36 OF 1988

ORAL

THE HON M K FEATHERSTONE

Will the Minister responsible for Government Services give specific details of what schemes and incentives he had in mind to motivate the workforce as suggested by him during the election campaign?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, the Government is happy that throughout the Public Service the example being put in by Ministers, working full time, is having the desired effect and a notable response has been detected. Any areas where specific agreements can be introduced for enhanced earnings related to output will be pursued, in consultation with the appropriate Union, on an on-going basis.

MR SPEAKER:

Next question.

NO. 37 OF 1988

ORAL

THE HON M K FEATHERSTONE

What was the nature of the decision taken by Government which enabled the flushing of streets to be carried out so dramatically on March 26th, 1988?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, as far as this Government is concerned there is nothing dramatic about flushing streets. It should not surprise the Opposition that Main Street and adjoining lanes and passages were flushed on March 26 given that the GSLP had made it clear during the election campaign that cleansing was one of the areas to be given priority by the new administration.

SUPPLEMENTARY TO QUESTION NO. 37 OF 1988

HON M K FEATHERSTONE:

But had not this flushing been programmed by the previous Government?

HON J C PEREZ:

Mr Speaker, I think the Honourable Member has accepted that that is not so, because his question refers to the nature of the decision, therefore, I presume he has accepted that that decision was taken by the new Minister.

HON M K FEATHERSTONE:

Did the Minister give a specific instruction that streets were to be flushed on that day or had it been programmed before hand?

HON J C PEREZ:

Mr Speaker, the Government took a decision based on its theme of caring for the community which was evident throughout the election campaign.

HON M K FEATHERSTONE:

Then why have the streets not been flushed since?

HON J C PEREZ:

That is not true, Mr Speaker. The flushing programme has continued on an on-going basis since that day forward.

HON M K FEATHERSTONE:

When was Main Street last flushed?

HON J C PEREZ:

Main Street was flushed last on the 26 March, but that does not mean that the flushing programme stopped and prior to Main Street, there was no flushing programme whatsoever. Mr Speaker, and the flushing programme has continued on an on-going basis including Housing Estates and it is evident by everybody in Gibraltar.

HON M K FEATHERSTONE:

When will Main Street next be flushed?

HON J C PEREZ:

Mr Speaker, that is something which is being at the moment looked into to see whether Main Street, particularly, can be flushed much more regularly than the rest of Gibraltar considering that there are many people using it consistently, particularly during the summer season with the amount of visitors coming in. We have a problem in terms of the parking arrangements which, again, is being considered and we are trying to make arrangements so that instead of having no parking signs in the morning for flushing to take place, that once every fortnight or once a week, depending on the arrangements that are finalised, the pedestrianisation is extended one day a week or one day a fortnight from 7 to 9 pm so that flushing is carried out in the evenings with less hindrance to the community as a whole.

HON A J CANEPA:

Mr Speaker, will the Honourable Minister accept that no industrial dispute existed prior to the 24 March which prevented the flushing of the streets from having been carried out, let us say on the morning of Saturday the 19th?

HON J C PEREZ:

Mr Speaker, I am not aware of any industrial dispute at all.

HON A J CANEPA:

And furthermore, is he aware that no decision had been taken by the outgoing AACR Government which prevented such work from being carried out. Moreso, if funds were actually available for that purpose, having regard to the fact that we were so near to the end of the financial year.

HON J C PEREZ:

Mr Speaker, we are not answerable for what he did when he was in Government, I am sorry. He should ask Major Dellipiani, what Major Dellipiani was doing at the time. I am not aware what Major Dellipiani was doing.

HON A J CANEPA:

Well now he is aware, Mr Speaker, that no such decision had been taken.

HON M K FEATHERSTONE:

Does the Honourable Member not agree that if he is trying to flush the Main Street between 7 and 9 in the evening, this is a new feature of regular overtime?

HON J C PEREZ:

Yes, I agree completely that it would be a new feature of regular overtime, but it is something that we are looking into in respect of how important it is to have our streets clean and we committed ourselves in the election campaign that if extra resources were needed to have a better, more efficient cleansing and flushing system, we would have it and we are giving serious consideration to this.

MR SPEAKER:

Next question.

NO. 38 OF 1988

ORAL

THE HON K B ANTHONY

Is it Government's intention to build a new prison, and if so, can we have details of the proposed site, and the anticipated date of completion?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, in the short space of five weeks of the new Government, the matter has already been discussed at the prison and a number of options are being considered before the Council of Ministers can itself give consideration to the matter. I would remind members opposite that they spent years thinking about the building of a new prison without actually doing anything about it.

SUPPLEMENTARY TO QUESTION NO. 38 OF 1988

HON K B ANTHONY:

Mr Speaker, can the Minister give us an indication of some of the sites that are going to be considered.

HON J C PEREZ:

No, Mr Speaker, at the moment this matter is under consideration between the Superintendent of Prison and myself. Once I have all the details available, I will be preparing a paper for consideration by Council of Ministers and once a decision has been taken by all of us, will be made known first to the staff at the Prison and then made public.

HON A J CANEPA:

Does the Government have any views as to which priorities between building a new prison and building new schools?

HON J C PEREZ:

No, Mr Speaker. Government has not taken into consideration this yet and neither is it taking consideration in respect of priorities such as housing, but housing is certainly one of the greatest priorities of the Government. But what I can tell the Honourable Member is that the overcrowding situation at the prison is extremely serious and getting much more serious every day, so we are looking at all the options available to the Government and a decision will be taken once that happens.

HON K B ANTHONY:

Mr Speaker, is the Minister not aware of the importance of the prison site, existing prison site is part of our heritage. Will he keep this in mind when he comes to a decision as to building the new prison?

HON J C PEREZ:

Yes, Mr Speaker, but this must be outweighed against the cost of reprovisioning. It is an important site which the Duke of Gloucester will be visiting during his short visit to Gibraltar, but we have to look at it in the context of how much a new prison will cost and what the priorities of the Government are, as I have said before.

HON K B ANTHONY:

One final question, Mr Speaker. Are we likely to see the new prison during the present Government's term of office?

HON J C PEREZ:

Mr Speaker, we cannot say that at the moment. It is not a commitment in our manifesto, we are looking at this very serious situation but we cannot commit ourselves that that will be something which will be completed within our four year term of office.

HON K B ANTHONY:

Mr Speaker, the Minister admits that there is a serious situation which in the foreseeable future could get worse?

HON J C PEREZ:

Yes, but there are certain remedial measures that can be undertaken short of building a new prison.

MR SPEAKER:

Next question.

NO. 39 OF 1988

ORAL

THE HON A J CANEPA

What is the Government's policy regarding the reclamation for the Montagu Basin Housing Project?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

The agreement reached by the previous Government with the developers for the Montagu Housing Project is currently being reviewed in the light of our plans to undertake the Viaduct/Montagu reclamation in joint venture with the private sector. The land reclamation will therefore be undertaken for the Government by a newly formed Joint Venture Company and the area of Montagu Basin when completed will be made available to Gib Homes to enable them to proceed with the remainder of the project as planned.

SUPPLEMENTARY TO QUESTION NO. 39 OF 1988

HON A J CANEPA:

What does the Government propose to do to the land, with the reclaimed land?

HON M K FEETHAM:

Apart from Montagu, Mr Speaker?

HON A J CANEPA:

What use will it be put to?

HON M A FEETHAM:

The answer is that the Government is committed to a large input of reclaimed land through a newly formed joint venture company of which part of the land will be released for the Montagu Housing Project. The rest of that land will be owned by the Government and will be used for the priorities that the Government considers to be in the best interest of Gibraltar in our overall development plans.

HON A J CANEPA:

Will be used by the Joint Venture Companies or by companies say in the private sector?

HON M A FEETHAM:

The land will be reclaimed by the Joint Venture Company and will be owned by the Government of Gibraltar and not the Joint Venture Company.

HON A J CANEPA:

Will the Governemnt then sell or allocate that land?

HON M A FEETHAM:

What use will be put to the land will be taken into account in the light of Government policies. Whatever use we want to make of it.

HON A J CANEPA:

Surely any Government wishing to reclaim land has an idea before of what they are going to use the land for.

HON M A FEETHAM:

Absolutely, and I will assure the House, that when we make our statement of what we intend to do, so far as our development plans are concerned, in due course an overall picture of the development plans for Gibraltar, for the next four years, and hopefully thereafter will be portrayed by the Government.

HON A J CANEPA:

Is the Minister satisfied that the cost of reclaiming this land under the aegis of a Joint Venture Company is likely to be the same or lower than if it is done by the private sector?

HON M A FEETHAM:

The answer is lower.

HON P C MONTEGRIFFO:

Can the Honourable Member, perhaps tell this House when reclamation is to commence, when it will be completed and what the estimated costs of the reclamation is in fact.

HON M A FEETHAM:

I am not prepared to make those details available at this stage because discussions are taking place on the formation of the company and the objectives.

HON P C MONTEGRIFFO:

But the figure and cost is known at this stage but you simply do not want to reveal, is that the case?

HON M A FEETHAM:

We do not believe it is the right moment to talk about costs, when you are discussing with potential partners.

MR SPEAKER:

What you are being asked is that you know the cost.

HON M A FEETHAM:

We have a fair idea of costings but we are not prepared to make this known at this point in time.

MR SPEAKER:

Next question.

NO. 40 OF 1988

ORAL

THE HON LT-COL E M BRITTO

Can Government now give specific details about its declared intention to build 500 low-cost houses within the next four years?

ANSWERTHE HON THE MINISTER FOR HOUSING

No Sir, Government cannot give specific details at this stage.

It must be realized that this administration has been in office for approximately 5 weeks. However the Government can guarantee that the programme will be implemented within its 4 years term in office.

SUPPLEMENTARY TO QUESTION NO. 40 OF 1988

HON A J CANEPA:

Does the Minister stand by his statement that he made on television. "If we fail to carry out what we have promised, that is, to build 500 housing units, we will not come with excuses in 1992".

HON J L BALDACHINO:

This Minister, Mr Speaker, stands by that statement and any other statement he made during the election campaign.

MR SPEAKER:

Next question.

HON LT-COL E M BRITTO:

Mr Speaker, can the Honourable Minister, not give us any details whatsoever, if he cannot give us specific details? Can he not give us more concrete details of locations?

HON J L BALDACHINO:

No, Mr Speaker, because this is the answer to the question the Honourable Member is asking. What has been given is the same as was given with the hostel, we do not know yet what other development is going to be carried out till we have a development programme.

HON P C MONTEGRIFFO:

Whilst accepting the Honourable Minister's question, on time, can he explain Government policy regarding these 500 houses in respect of the mix between rented accommodation and owner-occupier, surely there must be a policy on that which can be explained.

HON J L BALDACHINO:

Mr Speaker, we have to study first the demands, and then once we have done that, within that context, I still stand by what I said during the election campaign, that nobody will be deprived of a home because of his income.

HON P C MONTEGRIFFO:

Does Government have a view on what the demand for rented accommodation will be. I know that the Honourable Minister has a reputation to be an expert on housing and I would hope that he will enlighten us all on what information he has which would indicate the extent of the demand. For example, we have people on the housing list and there is available accommodation for purchase, one assumes that those people want rented accommodation or otherwise they would be buying in the private sector. Surely the prices are high but surely the Minister can give us an indication of what he believes the mix should be.

HON J L BALDACHINO:

Mr Speaker, the first day I went into office I asked for statistics on the nature that the Honourable Member is asking me now, there are no statistics available in the Housing Department. I have now asked my department to provide me with these statistics. The statistics are being produced. Once I have those statistics, then I will be in a position to make an assessment on what the Honourable Member is asking.

HON M K FEATHERSTONE:

Is Engineer House part of the 500 houses, or is it extra to that?

HON J L BALDACHINO:

No, Mr Speaker. The Engineer House is not part of the 500 units that we intend to build.

HON M K FEATHERSTONE:

And is White Rock Camp scheme also part of the 500 houses or is that extra?

HON J L BALDACHINO:

White Rock Camp is, Mr Speaker.

HON M K FEATHERSTONE:

So therefore, you are going to build 560 houses?

HON J L BALDACHINO:

Mr Speaker, we are going to build 500 houses and White Rock Camp will form part of those 500 units, because those people in White Rock Camp are part of the Housing Waiting List.

HON M K FEATHERSTONE:

Are you abandoning the Engineer House scheme?

HON J L BALDACHINO:

We do not know yet about what we are going to do with the Engineer House site.

MR SPEAKER:

It is not relevant to the question.

HON LT-COL E M BRITTO:

Mr Speaker, then give us an idea on what other existing projects form part of the 500 houses, apart from White Rock?

HON J L BALDACHINO:

Mr Speaker, the 500 houses, low-cost houses are part of the GSLP programme in the election campaign. They are new projects not existing ones.

MR SPEAKER:

Next question.

NO. 41 OF 1988

ORAL

THE HON LT-COL E M BRITTO

Can Government give specific details of the temporary accommodation which it intends to provide to deal with the worst of present housing conditions?

ANSWERTHE HON THE MINISTER FOR HOUSING

Mr Speaker, very serious consideration is being given to the housing problem and one of the measures being considered is the possible installation of temporary pre fabricated units which would alleviate the worst housing conditions. As stated during the election campaign the Government is investigating the possibility of prefabricated units provided the cost is reasonable for the length that it is intended to make use of these units. In the five weeks since the elections, steps have been taken to obtain quotations and investigate sources of supply. When a final decision is taken this will be made public.

MR SPEAKER:

Next question.

NO. 42 OF 1988

ORAL

THE HON LT-COL E M BRITTO

Can Government say what its policy will be with respect to:

- (a) Police Barracks at Castle Road
- (b) 4, Rodger's Road
- (c) North Gorge accommodation?

ANSWERTHE HON THE MINISTER FOR HOUSING

Mr Speaker, Government's policy on the properties mentioned is as follows:

- (a) Police Barracks at 30 Castle Road - to be demolished.
- (b) 4, Rodger's Road - to be demolished.
- (c) North Gorge - initially it is proposed to decant the present tenants within our term of office. Subsequently consideration will be given to the possibility of re-developing this area.

SUPPLEMENTARY TO QUESTION NO. 42 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, can the Minister give me a time-scale in which these buildings are intended to be demolished?

HON J L BALDACHINO:

Not at this stage, Mr Speaker.

HON LT-COL E M BRITTO:

Mr Speaker, can the Minister give me an idea on the priority this features on the housing policy of the Government?

HON J L BALDACHINO:

It has got nothing to do with the housing policy of the Government, Mr Speaker.

HON LT-COL E M BRITTO:

Mr Speaker, I beg to differ. I am asking precisely what is the policy of the Government with regard to a specific answer.

HON J L BALDACHINO:

It is not part of the housing policy. If the Honourable Member

is referring to our 500 units, this has nothing to do with that, Mr Speaker.

MR SPEAKER:

What is the question you have asked?

HON LT-COL E M BRITTO:

I asked originally, Mr Speaker, when it was intended to demolish. I was told it was not possible to put a time-scale at the moment. I then subsequently asked what priority does the demolishing of these buildings feature in general housing policy of the Government. If they cannot give me a time-scale, is it intended to be soon or is it intended to take a long time.

MR SPEAKER:

With respect, whether it is part of the 500 units or not, it is most certainly part of the general Government policy on housing. You are being asked....In other words....you are not using this site for the purpose of housing.

HON J L BALDACHINO:

We might or we might not, Mr Speaker. It has nothing to do with the 500 units that we intend to build.

HON A J CANEPA:

Is the Honourable Minister then saying, that having demolished Police Barracks at Castle Road, they have not yet decided what they are going to do in this place.

HON J L BALDACHINO:

I am not the right person to answer but most probably it will be looked into taking into account the context of what the development will be.

HON A J CANEPA:

Will they take into account, in respect to whatever development they propose for that site, the problems arising from high density in that area, problems of traffic congestion.

HON J L BALDACHINO:

That will be taken into account, Mr Speaker.

MR SPEAKER:

Next question.

NO. 43 OF 1988

ORAL

THE HON LT-COL E M BRITTO

When and how does Government intend to review the Landlord and Tenant Ordinance?

ANSWER

THE HON THE MINISTER FOR HOUSING

Mr Speaker, Government proposes to review the Landlord and Tenant Ordinance at the earliest opportunity and to introduce or amend whatever sections are considered necessary.

When a decision has been reached on this matter, the details will be brought to the House in the usual manner.

SUPPLEMENTARY TO QUESTION NO. 43 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, do I take that to mean that the Minister does not know how he intends to amend the Ordinance?

HON J L BALDACHINO:

It is not that the Minister does not know what he intends to amend, if he cares to look through the Hansard, he most probably will get a few ideas of what the Minister has said. What I am saying is that the Landlord and Tenants Ordinance and the amendments that the Minister intends to propose will first have to go to Council of Ministers and then a decision will be taken, and I am not prepared to say at this stage what my proposals are until my other colleagues have had the opportunity to look at them.

HON LT-COL E M BRITTO:

Can the Minister give me an idea when this will be brought to Council of Ministers?

HON J L BALDACHINO:

Mr Speaker, there is urgent legislation that this Government want to get through and maybe this is not one of the priorities, at this stage, but once I have the opportunity, once we have gone through the legislation and established a priority then it will be taken at the earliest possible opportunity.

HON LT-COL E M BRITTO:

I take it then Mr Speaker, that it is not considered a matter of priority?

HON J L BALDACHINO:

I consider it a matter of priority, Mr Speaker. It is within the context of the Government's overall policy that the priority lies and I suppose it may be that there is other legislation which requires a higher priority than this.

HON LT-COL E M BRITTO:

Thank you, Mr Speaker.

HON P C MONTEGRIFFO:

Mr Speaker, is it Government's policy within this review in general terms to extend protection of dwellings in the private sector or.....

MR SPEAKER:

No. I will not allow this. Next question.

THE HON A J CANEPA

Will the Minister responsible for GSL make a full statement explaining (a) why the Government has decided not to proceed with the proposed marketing contract with Appledore, and (b) how exactly it is intended that marketing of the yard will in practice be carried out after June?

ANSWERTHE HON THE MINISTER FOR GSL AND TOURISM

Mr Speaker, the Government and the Board of GSL simultaneously decided not to proceed with the agreed Marketing Contract with APA because of various factors

- (1) the fact that APA wanted an exclusive Marketing Agreement based on all sales turnover;
- (2) the fact that they wanted a fixed fee for marketing the yard;
- (3) the commission payable over and above the above fixed fee were not acceptable to the Board of GSL;
- (4) APA still wanted to retain some management input through the secondment of a Managing Director from APA; and
- (5) APA wanted the contract to run for a minimum of 2 years.

The Board of GSL has now completed negotiations with Scamp Ltd who will be providing Marketing Services to GSL's own Agency Network. Additionally GSL will be supported by Scamp's own network. Under the terms of this contract Scamp will liaise with the GSL Network to promote and sell the yard internationally and follow up enquiries as required.

Since the agreement is based on GSL having its own Agency Network this Agreement is therefore on a non-exclusive basis. The Board of GSL is at this moment studying other proposals which would further widen GSL's international agency network.

SUPPLEMENTARY TO QUESTION NO. 44 OF 1988

HON A J CANEPA:

Will the Minister confirm that the fee in question that Appledore were seeking was £70,000?

HON J E PILCHER:

No, Mr Speaker. The fee that A&P were looking for was £75,000.

HON A J CANEPA:

I think I picked up the figure of £70,000 from information released by the Government, but I stand to be corrected.

HON A J CANEPA:

Does the Minister not consider that given their track record on marketing, Appledore would have been likely to bring in enough work for the yard to have justified this fee of £75,000?

HON J E PILCHER:

No Sir. As far as we were concerned, what I discovered the moment that I entered the yard was the fact that APA was in fact catering for our own agency network, that means that GSL have their own agents which work exclusively to GSL and all that APA were doing were using the agents of the Company and the only other thing that they were producing was that APA was one of those agents of the Company in the United Kingdom. Therefore they were getting a 1% commission under the old management contract on all sales turnover, plus a percentage for their own fees under the exclusive contract for the UK marketing. I consider that APA had to break with the yard. I feel that the new contract which we have now entered into with Scamp, which is one of the companies which we intend to proceed with our marketing, with no marketing fee whatsoever, therefore saving the Company money.

HON A J CANEPA:

Was the Government prepared to consider payment of such a fee contingent on a minimum of sales being reached?

HON J E PILCHER:

Yes, Mr Speaker. As part of the agreement that we were looking at with APA, we were looking at a performance clause. There were two schools of thought. One was related to the annual sales turnover, the other one was related to the percentage contribution that the actual sales brought into the Company. Unfortunately, in neither area were we able to agree with A&P.

HON A J CANEPA:

Mr Speaker, what companies have expressed that interest in carrying out the marketing other than Scamp?

HON J E PILCHER:

There are many companies, Mr Speaker, who have intimated a desire to enter into a non-exclusive marketing arrangement with GSL. Scamp was one of those and I am glad that we have already, in fact this morning, signed a non-exclusive

marketing agreement with them. There are five other companies, two of which we are now pursuing, because at the end of the day it is a question of us being able to match our own agents with the agents that we are being offered and it is a question in that matching exercise, it is a question of seeing whether the agent that we are being offered is already in countries where we have our own agencies and therefore, at the moment, in that sieving exercise, are now in touch with two companies that can further extend our agencies, but at the moment I am not in a position to reveal the name of those companies.

HON A J CANEPA:

Do any of these five companies have local connections?

HON J E PILCHER:

The other two companies have no local connections whatsoever.

HON A J CANEPA:

Have the other three?

HON J E PILCHER:

The other three no. The other three basically have got UK connections. The two that we are discussing at the moment have UK and other connections outside the United Kingdom.

HON P C MONTEGRIFFO:

Mr Speaker, bearing in mind that the agreement with Scamp has been finalised, will copies of the agreement be made available to the Opposition for our perusal and study, and when?

HON J E PILCHER:

Mr Speaker, looking at the record over the last four years, I am surprised to get a question like that. This is an agreement, a contract between GSL and Scamp Ltd. It is a commercial contract which is not publicly available.

HON P C MONTEGRIFFO:

Mr Speaker, but I thought we were going to have greater openness, can the Minister then perhaps give us more concrete details, so that this House is aware of the terms of the arrangement with Scamp. The minute details of which are necessary for us to form a judgement on the agreement arrived at.

HON J E PILCHER:

Mr Speaker, it has nothing to do with the Government of Gibraltar as such. I am quite prepared to give out any information whatsoever on the general agreement. In fact I have already

given a lot and I am prepared to give as much as the Honourable Member wants. But the details of a commercial contract cannot be given outside GSL because it has been a contract that I have signed as Chairman of GSL and not as Minister for GSL.

HON P C MONTEGRIFFO:

Mr Speaker.....

MR SPEAKER:

No, may I make it quite clear what the policy is to the extent that Government has no commitment to what happens to the Chairman of GSL. They are answerable for policy matters. Not to the extent of the commercial contract relationship between GSL and other people.

HON P C MONTEGRIFFO:

Mr Speaker, is the Honourable Member satisfied that Scamp Ltd have a network of contacts necessary to attract ships to the yard, and could he perhaps give us an indication, in broad terms, of how many ships is envisaged Scamp will be able to bring to the yard within the first year of the contract.

HON J E PILCHER:

As regards the second part of the question, as many as possible obviously. We will be monitoring the position, because it is a non-exclusive agreement, it is not performance related inasmuch as we are not actually saying that there is a requirement to bring in so many ships. We have our own overall sales target which we are looking at with our partners in the commercial area. As far as the agreement as such, the Board of GSL.....

MR SPEAKER:

We must not get bogged down just now in giving details otherwise we are going to have a debate.

HON J E PILCHER:

No, I am not going to give details, Mr Speaker, but I do not want the Opposition to think that I am trying to hide something because I am not. I will not give out details of a commercial nature, but I mean I have already made public the arrangement that GSL is looking at with regards to its commercial partners, and that is, very briefly, that we have our own agency network in certain countries and what we are doing with our partners in marketing is matching up those agents, seeing which agents have been producing work for Gibraltar, which agents are not producing work for Gibraltar and substituting one agent for another. At the same time we are then looking internationally at what else Scamp has and what else other companies have in order to enlarge that network. That basically is what the

marketing agreement is all about. It is non-exclusive and what it does is that it has the marketing agents liaising with our own network in activating and motivating our own agents. So I think that not only is the GSL Board happy, but the Government of Gibraltar through me is also happy that the agreement is reasonable.

HON P C MONTEGRIFFO:

Mr Speaker, bearing in mind that the Honourable Minister does not wish to give many specific details of the agreement, can he say at least the amount and the terms of remuneration payable to Scamp.

HON J E PILCHER:

The answer to that is no remuneration is being paid to Scamp or any other of the companies that we enter into agreement, other than normal commissions payable on sales as any other agency.

MR SPEAKER:

Next question.

29 4 88

NO. 45 OF 1988

ORAL

THE HON A J CANEPA

On what basis are Appledore being retained to carry out their marketing role at GSL?

HON A J CANEPA:

Mr Speaker, I am withdrawing this question.

THE HON A J CANEPA

Will the Minister responsible for GSL make a full statement of policy explaining the Government's plans for the future of the yard?

ANSWERTHE HON THE MINISTER FOR GSL AND TOURISM

Sir, on the 25th March 1988 the GSIP Government advised APA that it was not prepared to continue the 10 year Management Contract which it had enjoyed under the previous administration. The Board of GSL has been reconstituted and is now in full control of all policy matters affecting the yard.

The first step taken by the Board was to change the Senior Management structure and as from the 1st May all the senior managers with the exception of the Managing Director, who is retiring on the 31 May, will be employees of GSL. The Government also seconded Mr John Hernandez to the post of Director of Finance and Administration. Priority is being given to look at establishing a link between the Commercial, Production and Finance Departments in order to monitor all operations and establish good financial control. At the same time a Joint Industrial Council has been set up in order to create a framework for discussion of all industrial relations problems. This Council is at the moment looking at the Manpower restructure of the yard which is progressing as planned. This process will be complete within the next two months.

It is envisaged that after the manpower restructuring and given the new marketing policies as outlined in answer to question No.44, GSL will be able to prepare a realistic business plan to carry it through to the end of the year.

The next priority for GSL will be to look at the possibilities for physical restructuring and setting up of joint venture companies taking into account the Government's needs and own redevelopment plans.

Action on all these priority areas is envisaged will take some months to complete but it is hoped that the yard will see full restructure pending major physical works before the end of the year. The Opposition must realise that the Government has only been in office for a month and I will be in a much better position in a few months time to give concrete evidence of a cut back in overheads, streamlining of operations, and a consequential cutback in costs per man hour. The future of the yard will be determined at the end of this year by which time we will be in a position to judge the effects of our actions and be able to have realistic projections for 1989 and 1990. These projections will then be monitored through the year and by summer 1989 we will be in a position to publicly announce the viability or otherwise of the shiprepair operation in Gibraltar.

Given the positive reaction from the Board, the new management and the workforce and given that we have already been able to cut overheads substantially, I am confident that all augurs well for the future.

SUPPLEMENTARY TO QUESTION NO. 46 OF 1988

HON A J CANEPA:

Mr Speaker, the Honourable Minister has spoken about a restructuring involving Senior Management and that they are all except for the Managing Director who is retiring they are all employees of GSL. How many people are we actually talking about, how many members of Senior Management were not in fact already employees of GSL?

HON J E PILCHER:

There were four employees, the Managing Director being one, who is retiring.

HON A J CANEPA:

Employees of Appledore?

HON J E PILCHER:

Employees of Appledore, yes. Mr Frank Wiggers was the Production Manager, there was an adviser in Finance and Computer matters, Mr Gordon Robson, and I think Mr Gordon Scrutcher, the Commercial Manager.

HON A J CANEPA:

In a Press Release which the Government issued on the 6 April they spoke about radical changes involved in the restructure. Will the Minister give some indication of what this will be I mean radical is quite a strong word to use in this respect. If we can have some indication, some more details than what he has given.

HON J E PILCHER:

Radical changes in their restructuring? I think the most radical change that has occurred in the yard over the last couple of months, when I mentioned the word radical restructure, I was referring to the restructure of the way that the yard used to operate. We have three main departments - Commercial, Finance and Production which were not linked together. So we had a situation where the Commercial Department did its own thing, the Production Department did its own thing and at the bottom of the scale the Finance Department was there to pick up the bills. What we did immediately, was restructure the whole

of the operation into a Finance and Administration Department which is really the leading Department of the Yard today and the Commercial Department and the Production Department are autonomous bodies but working through the Finance Department so that there is extreme financial control, something that the Company has never been subjected to. This, I think is basically what I meant by a totally radical change, although it is only radical inasmuch as from the manner which the Company was being run before. In a totally normal way of running a business, but this was not the normal way that business was previously being done in GSL.

HON A J CANEPA:

Would he agree that this amounts to coordination?

HON J E PILCHER:

I would agree that this amounts to coordination and I have already said normal commercial and even Governmental practices which the Company was not apparently complying with in the past. Yes, Mr Speaker.

HON A J CANEPA:

Regarding the restructuring of manpower and the setting up of the JIC, has the Minister had any reaction as yet from those who are going to be affected, members of the workforce, who the Minister has already indicated publicly are going to be offered employment elsewhere within the physical area of the yard, but perhaps in one of the Joint Venture Companies, has he had some reaction from the workforce through its representatives of what attitude they are likely to take?

HON J E PILCHER:

Yes, I think the first thing we did, and again I do not want to burden myself on the point, that the Joint Industrial Council was only set up some two weeks ago. Since then the first thing that the Joint Industrial Council did was have a meeting with all the Shop Stewards of the Yard to make sure that the new philosophy under which the GSL Board is now operating was totally understood by the whole workforce. This was only a repetition of what the GSLP has said to the workforce during the Election Campaign, ie that anybody who did not take on voluntary redundancy would at the end of the day once the Company was being restructured be offered alternative employment either in a Joint Venture Company or outside the Company in the Government or whatever. Now this point was again made to them and accepted by them and it is still early days as far as what the Honourable Member is asking for because we have just started. We have restructured the Commercial Department,

the Finance Department, the Personnel Department and we are now at the moment undergoing the manpower restructuring of the Production Department which is the department that employs most of the industrial workforce and I have already scheduled two meetings next week because the commitment was that we would discuss the restructuring at the JIC, get agreement at JIC from the Head of the Unions and then go down to the workforce and discuss the plans with them. That third stage is happening as from next week, but the feedback is that the workforce in fact are quite happy with the situation and in fact, there is pressure on the Company now to move quickly on the restructuring because there is a lot of motivation in the workforce, particularly in the Joint Venture Companies and they want us to move quicker than we really can.

HON P C MONTEGRIFFO:

Mr Speaker, will the Minister give us an indication of what further reductions in employment in the Yard, on the industrial side, are envisaged by the time the restructuring is undertaken?

HON J E PILCHER:

I must stress the point again which I hope has not been misunderstood. There will be no forced redundancies. I think what the Member is asking for is what as a Company is the nucleus that the Company will retain. It is, as I say, very difficult at this stage to say this, because we are at the moment undergoing the manpower restructuring. We are discussing that at the moment, and I could not hazard to guess because I would not want to give a figure which has not been discussed at JIC with the workforce or been approved by the Executive of the Board. So I mean at this stage I cannot commit myself to a figure.

HON A J CANEPA:

Earlier on, Mr Speaker, the Honourable Minister said that he would need more time obviously on which to give more details. Could we try to pin him down, is he likely to be making a statement in this House before what one would regard a Summer recess or after the Summer recess?

HON J E PILCHER:

I would expect, we have already got a commitment to the workforce of GSL, that we will do the manpower restructuring having agreed with the workforce and the JIC within the next two months, so I think, yes, that the answer is probably yes, I will have some statement to make before the Summer recess.

HON LT-COL E M BRITTO:

Mr Speaker, what I understand from the Honourable Minister is that once the manpower restructure has been completed and the excess numbers in the workforce established and until such time

as the Joint Venture Companies, which are going to be established as a second priority, are on-going and it is possible to re-deploy that manpower. What am I to understand will happen to those members of the workforce.

HON J E PILCHER:

When I said the first priority was discussing the manpower restructuring, we are trying to identify.....

MR SPEAKER:

What you are being asked is a simple question. If the restructuring means the re-deployment of labour before the Companies are ready to take over the overflow, what are you going to do with them?

HON J E PILCHER:

I will like to give as much information as the Speaker will allow me. The answer to that is we will try as a second stage to act simultaneously in opening the Joint Venture Companies and establishing their needs for manpower. If we are not able to do this simultaneously, then the Company will have to carry the excess workforce until we find a job for them.

HON A J CANEPA:

Sir, there is a matter which we will be able to pursue in Committee Stage, but perhaps I might give the Minister an indication if he is not able to answer it now, he might prepare himself for Committee. That is "does the Government have an estimate of the cost involved in the restructuring?". There is a figure of £3m that they are seeking to appropriate in the Appropriation Bill, perhaps if he is not able to provide the information now, he might do so when we go into Committee next week.

HON J E PILCHER:

I have the information, I prefer to tackle it in the Committee Stage of the Appropriation Bill, but the quick answer to that is 'The Government has set aside £3m and that is all that the Government of Gibraltar will give to the commercial company in order to cover the manpower and physical restructuring". Although I know that the previous administration was looking at the figure of £10m. But I will explain further at Committee Stage.

HON A J CANEPA:

Mr Speaker, I said during, and the Minister now has the Hansard, Mr Speaker, would he read out if he wants to what it is that I said that we would have found it very difficult to accept proposals entailing expenditure of £10m. We would not have agreed to that.

NO. 47 OF 1988

ORAL

THE HON A J CANEPA

By what commercial criteria will the Government judge whether GSL has been successful after one year?

ANSWERTHE HON THE MINISTER FOR GSL AND TOURISM

Mr Speaker, the Government of Gibraltar will not judge GSL's future on pure commercial criteria. The success or otherwise of the yard after one year will be judged on its economic viability for Gibraltar as a whole. This will include the employment opportunities offered, the direct revenue yield to Government from yard activities and the knock on effect of these activities throughout the economy of Gibraltar.

This does not necessarily mean that the yard should not break even or be profitable and the Government will not provide any direct subsidy.

SUPPLEMENTARY TO QUESTION NO. 47 OF 1988

HON A J CANEPA:

Is the Minister saying therefore Sir, that insofar as profitability is concerned, the Government target is just that they should break even. They will be content with that.

HON J E PILCHER:

Yes Sir. At this stage, yes.

HON A J CANEPA:

The other thing Sir, is the year that we are talking about. When does the year operate from?

HON J E PILCHER:

As I explained in the last question. We are looking at the year being from the 1st January 1989 to the 31st December 1989. The year that we are giving ourselves as a Government is from this summer to the middle of next summer 1989. The year as far as the Government is concerned, as I explained in the previous question, is by the time the end of the year comes this year, we will produce the projections for 1989 and 1990. We will monitor those through the year and by the middle of 1989, we will be in a position to judge whether the company will in fact hit those targets by the end of December 1989, so the year that as a Government we are looking at is the year starting this summer to the end of next summer, but the Company is looking at 1989 as the year in question.

HON A J CANEPA:

Which is the commitment that the Government is in fact giving? Is it for the twelve month period from, I imagine, from the time when Appledore pack up their bags and go, the next twelve months? As from that date? But then if they take a decision about the future of the yard that could involve closure for instance, there would be another six months until the end of 1989.

HON J E PILCHER:

That is correct, Sir.

HON A J CANEPA:

To make the winding up arrangements.

HON J E PILCHER:

Yes, of course.

HON P C MONTEGRIFFO:

Mr Speaker, if I have understood the Minister correctly if the Government's position is more than just that it will consider the yard economically viable if it breaks even but even if it makes a loss, if there are knock on effects or subsidiary advantages of an economic nature the yard will still be kept going. Is that a correct impression or not, even if it does not break even could there be circumstances on which the yard would be kept going. Have I misunderstood, Sir?.

HON CHIEF MINSITER:

The position would be, Mr Speaker, whether it is the future of the shipyard or anything else, that we would look at it in two levels. We would look at it on the basis of the yard earning money and earning a return of its assets, and that is stage one. And if it fails that test then we have to say to ourselves, as a Government, what is the cost if we close it immediately and are we actually going to be finishing paying out more money if we close it or we keep it open. That is a matter both of judgement and of working out the impact on the rest of the economy and the alternative use for the assets. If clearly the situation were that the Government had to choose between a yard that was losing £100,000 a year on the one hand, or alternately a closed yard with closed workshops with 300 people unemployed and a loss in income tax of a £¼m, then it would be a nonsense to close the yard. It will be primarily financial and if the decision is taken to continue with an open yard notwithstanding that there is a profit and loss account showing a loss then that will be made public and a statement will be given explaining why.

HON A J CANEPA:

May I say, Mr Speaker, that I agree with that approach. I think that it would be foolish to close a yard that is losing £100,000, but how would the Government propose to make good the shortfall if they are not able to make a direct subsidy in order to make good the losses.

HON CHIEF MINISTER:

When the restructuring and diversification is completed, the Opposition will be able to see how it is possible to achieve certain objectives without being in breach of community law.

HON A J CANEPA:

We look forward to that, Mr Speaker.

HON P C MONTEGRIFFO:

Mr Speaker, although as my colleague has said that approach is one that we would not argue with in terms of the yard itself. Does the Government not agree that there is an opportunity cost involved in proceeding with that type.....

MR SPEAKER:

We are beginning to debate and I am not prepared under the guise of questions to allow debate. It is a matter which Members might wish to debate on the Motion, but Question Time is of course for the purpose of seeking information.

HON P C MONTEGRIFFO:

Certainly the point I wanted to make for clarification is that bearing in mind the declared aim of Government policy, in particular regarding the Joint Venture Companies, is to show a profit and hence bolster government revenues. There would seem to be some contradiction in treating GSL as a separate entity, although there may be historical reasons for doing so initially and would not the Government accept that it would be depriving itself and Gibraltar of valuable land and an opportunity for expanding other areas of the economy.

MR SPEAKER:

No, No.

HON CHIEF MINISTER:

The simple answer Mr Speaker, is that if we had been elected in 1984, we would not have spent £28m at GSL. If you look at

4.

the profit and loss account, you will find that GSL on paper will be showing losses partly because it has to depreciate things like the slop barge which the previous Government agreed to have £2m spent on and which may not be producing an economic return on those £2m. Because there is an investment of £4.8m on expanding No.1 Dock and hardly any work has been done in exchange for that investment. We are stuck with an investment. It is one thing to decide how you move forward when you have got cash and you decide how to spend it. It is another thing to decide how you move forward when you have got an asset which on paper is worth £20m, but if you were to close it and try to sell it, I doubt whether the slop barge, which has got a paper value of £2m would be sold for £200,000, and that is the difficulty because it is already there.

MR SPEAKER:

Next question.

NO. 48 OF 1988

ORAL

THE HON A J CANEPA

What is the Minister's policy towards the wages and salaries review for GSL employees for 1988?

ANSWERTHE HON THE MINISTER FOR GSL AND TOURISM

Mr Speaker, the GSL's policy towards the wages and salaries reviews for GSL's employees in 1988 and for subsequent years has already been explained to all shop stewards in the yard. It has been agreed that immediately after the manpower restructuring the Company will start negotiations with its employees on wages and salaries and any other outstanding claims. The actual terms to be offered by the Company in these negotiations will shortly be discussed at JIC and it is therefore not considered correct to disclose the Company's position at this point in time.

However, as a matter of policy it has been agreed that wages and salaries will be subject to an annual increase subject to the already mentioned negotiations.

SUPPLEMENTARY TO QUESTION NO. 48 OF 1988.

HON A J CANEPA:

What about the date of settlement? Is the Minister not in a position to inform the House about that?

HON J E PILCHER:

No Sir, because the JIC and the workforce has accepted that we wish to do the manpower restructuring first before we actually sit down to do the pay negotiations.

HON A J CANEPA:

Does that mean that GSL has agreed with the workforce that the date for the 1988 wage settlement, which was envisaged at the time of the last review is no longer an effective date?

HON J E PILCHER:

No Sir, what it means is that the subject of wages and salaries reviews has not been discussed yet.

HON A J CANEPA:

Is there any commitment on the part of the Government that parity should continue to be followed or will the main criterion be that of profitability?

HON J E PILCHER:

That is for negotiation with the workforce, Mr Speaker.

HON A J CANEPA:

So we are not in a position, Mr Speaker, to obtain information on this side of the House unless we become shop stewards at GSL, is that the position?

HON J E PILCHER:

No Sir, what it does mean is that there will be, we have a commitment that matters are discussed at Joint Industrial Council, and that obviously when we are undergoing those negotiations, we do not make those negotiations public. Once that has been established, we will come to the House and make a full statement like indeed I have been doing on everything to do with GSL this afternoon. More than I ever got in the last four years, Mr Speaker.

HON P C MONTEGRIFFO:

Mr Speaker, I am a little confused here. Is that not a contradiction to the attitude of the GSLP in the past, which appears to have been that wages in the yard should follow the norm of other sectors of the economy, notwithstanding the profitability or otherwise of the yard. Certainly, I know Mr Speaker, the actions of Mr Bossano, the Chief Minister during his time as a Trade Union Leader. I am not sure whether, though I suspect, it was also the GSLP position.

HON CHIEF MINSITER:

Mr Speaker, the position of the GSLP in the House certainly has been to try and get the AACR Government to explain anything at all that they could manage to extract from them about the yard, and the position of the AACR in Government was that the wages and salaries of the employees was a matter exclusively between the employees and the company. It has nothing to do with the Government. So if that is what they felt in Government, why have they changed their position now? That is the question.....

MR SPEAKER:

We are not here to debate. Next question.

NO. 49 OF 1988

ORAL

THE HON A J CANEPA

Will the Minister for GSL and Tourism give a monthly breakdown of the turnover (ie sales) achieved by GSL during the first quarter of 1988?

ANSWERTHE HON MINISTER FOR GSL AND TOURISM

Mr Speaker, the sales turnover achieved over the 1st Quarter of 1988 is not seen as indicative of the potential of the company since little or no marketing of the yard was undertaken during the last six months by the previous management.

I will not try to explain why this inaction was allowed to continue over this period since the Opposition must be well aware of the reasons for this. It must be stressed that this has had a detrimental effect on the potential sales turnover of the yard and is yet another problem amongst others identified and still to be identified that needs to be tackled as a matter of urgency.

Although we are committed to make public as much information as necessary as regards the operations of GSL I feel that in this particular area it is not advisable from a commercial point of view, to disclose details of our commercial sales as this could make our competitors aware of our pricing and tariff policies.

SUPPLEMENTARY TO QUESTION NO. 49 OF 1988

HON A J CANEPA:

So again, Mr Speaker, we have a situation in which we are not getting information. This time it is under the guise that it is commercially sensitive. I would have thought, Mr Speaker, that this is a perfectly proper question on which the Opposition would be entitled to receive information from the Government. It is information which is going to be available to the Opposition when the accounts for the year are known. We are not prepared to wait a year from now before we know, Mr Speaker. I am not aware, Mr Speaker, whether the Government, when they were in the Opposition, ever asked for information on sales and did not get the answer.

HON J E PILCHER:

Mr Speaker, I do not want to go on about what we got over the last four years. What I can tell the Honourable Member is that sales turnover, budgetted sales turnover, has an effect on the tariff policy of the Company. If for example the Company was budgetting for £5m and this is obviously a very arbitrary figure. £5m of sales turnover and we achieved in the first quarter 50% of that, then our pricing policy would obviously be a much more flexible one and we could bid under the market for various prices. If we did not achieve 25% of that on the

first quarter, then we could not be flexible on our pricing policy. Now this is something that if other companies that are competing against us know then they undercut the market as they see fit. Because they would know what is our overall sales strategy and whether we are achieving it or not. So I feel that it is Commercial-in-Confidence to reveal these figures through the year although we would be quite happy to say to the Government, sorry the Opposition, I must get used to this, whether we are in fact arriving at the budgetted figures throughout the year, and therefore when the accounts are ready for the Company, does the Opposition feel that this is acceptable?

HON A J CANEPA:

Mr Speaker, if he calls out the Government again, we will move over and take over. Is the Government prepared to consider making that information available to the Opposition Commercial-in-Confidence? And we will not use it in the House until the accounts for the year have been published.

HON J E PILCHER:

Mr Speaker, I would certainly put that to the Board, but my own personal opinion is that I would be willing Commercial-in-Confidence to make that available to the Leader of the Opposition, but it has to be approved by the Board first.

HON A J CANEPA:

I would be grateful. Another thing, Mr Speaker, I do not know whether he has got the information there. But if he does not perhaps, if the answer is positive to my request, he might also give me for the sake of comparability, the figure of sales for the same period last year but without RFA work, excluding RFA work. If he does not have it, it is no longer urgent, Mr Speaker, since he has not been able to give me the first set of information that I wanted.

HON J E PILCHER:

No, Mr Speaker. I have got the overall sales for 1987 but not broken down into quarters and in any case, I am sure that as the previous Government they should have this information themselves.

HON A J CANEPA:

There is a problem, Mr Speaker. When you go out of Government, you cannot take all the papers that you had with you. It is as simple as that.

HON J E PILCHER:

I dare say they did not have it.

HON A J CANEPA:

No, I used to get quarterly reports, Mr Speaker, but physically it has been impossible to take all that information with me.

MR SPEAKER:

Next question.

NO. 50 OF 1988

ORAL

THE HON A J CANEPA

Has any severance payment been made to Mr Peter Simonis on termination of his appointment as Chairman of the Board of GSL?

ANSWERTHE HON THE MINISTER FOR GSL AND TOURISM

No, Sir, Mr Peter Simonis resigned as Chairman of the Board of GSL after consultation with the Chief Minister and myself and therefore he agreed that no severance payment would be required. What certainly the previous administration and the now Opposition should know since the previous agreement with Mr Simonis was signed by them was that over and above the fees payable as Chairman which were £10,000 for 1985, £20,000 for 1986 and £25,000 for 1987, a terminal bonus of £5,000 per annum was included in his contract. This in effect means that the per annum fee was increased by £5,000 although this was hidden under the guise of a terminal bonus clause. Therefore, in effect although we have not paid Mr Simonis as a Government any severance pay the Company have had to honour the previous contract and have had to pay Mr Simonis a further £15,000 in respect of his 3 years service ending 31 December 1987. Mr Simonis is not claiming either compensation or a percentage of the terminal bonus for this year.

The Government has now agreed a retainer fee with Mr Simonis as an Adviser to the Government and in this role, and, at no expense to GSL he is providing continuity as a director of GSL for the new Board. The retainer fee etc is the subject of Question No.53 which will be answered separately.

SUPPLEMENTARY TO QUESTION NO. 50 OF 1988

HON A J CANEPA:

How long is it expected that Mr Simonis will remain a Member of the Board?

HON J E PILCHER:

It is expected that Mr Simonis will remain a member of the Board for the next three or four meetings. I would say towards the end of this year.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

Can Government explain what steps and initiatives it proposes to take in order to expand air services to Gibraltar, notwithstanding the position adopted on the Anglo-Spanish airport agreement?

ANSWERTHE HON THE MINISTER FOR GSL AND TOURISM

Sir, Government intends to expand air services to Gibraltar

- (a) By giving every possible help and support to any airline and/or Tour Operator wanting to use Gibraltar Airport;
- (b) By improving the facilities at present available at the Air Terminal;
- (c) And by an aggressive marketing effort in other potential markets in Europe. To this end plans are under way to hold discussions to establish a new service with a Northern destination.

SUPPLEMENTARY TO QUESTION NO. 51 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, is the proposed expansion purely vis a vis UK routes or international routes, and if they are international in terms of other than UK, does not the Government fear renewed Spanish diplomatic pressure of the type that has already been in evidence in stopping these developments?

HON J E PILCHER:

The first part of that question, Mr Speaker, is no we are not limiting our expansion to the UK market. In fact the plan that we have already underway is a northern European destination and not the United Kingdom. As far as the comment made by the Honourable Member that if we proceed with trying to expand our services elsewhere but to the United Kingdom, we are going to get the same kind of pressure as was in evidence before. Well we are not sure that that was the case. But in any case we feel that this is our policy, we have to try to expand our services and if the pressure is mounted, which we do not know whether that is going to be the case, we will then have to deal with that as and when it happens.

HON P C MONTEGRIFFO:

Mr Speaker, does the Government not have information from the local carriers and from airlines wishing to run routes, particularly to Frankfurt and Zurich, that it was in fact Spanish diplomatic pressure that was the major obstacle, and

if that information is with the Government, does it not consider that this could be an obstacle, and I am asking, in good faith, because we also want to seek expansion of the airport, but we see this as a perhaps an insurmountable problem.

HON J E PILCHER:

No, first of all there is no official confirmation that that is the case. As far as we are concerned, it is pure speculation. The fact that there are airlines interested and the fact that we are meeting those airlines with a view of attracting them to Gibraltar, if the airlines are interested and there is pressure put on the airlines, then obviously we would get an immediate feedback from that and we will react to that as and when it happens.

HON P C MONTEGRIFFO:

Can the Minister give details of what airlines have been approached and what level of expansion does Government envisage to see at the airport say within the first year. Is there a target for that in line with the Government's general views towards their target?

HON J E PILCHER:

Obviously, we are not in a position at this moment to reveal the names of the companies that we are approaching and that in fact have approached us. As far as giving a deadline of what we expect for that to materialise, I think it is early, very early on. We have already had contacts established within the last couple of weeks and we have meetings scheduled for the next couple of months. I will be in a much better position towards the end of the summer to be able to give actual deadlines and targets in that area.

HON P C MONTEGRIFFO:

Mr Speaker, bearing in mind the Anglo-Spanish Agreement and the whole question of the controversy of the airport, has the Government consulted or liaised with the British Government on its plans for extra use of the airport or has the matter not been discussed with the British Government at all.

HON J E PILCHER:

Well, at this early stage, I do not want to go into the actual Anglo-Spanish Agreement because there is a motion which will be discussed, although it is only on the legal interpretation, I am sure, that when we start discussing the actual motion, we will expand onto that. But no, at this stage, at this very early stage, and I want to continue to remind the Members of the Opposition that we have only been in Government for three

or four weeks we have not at this stage contacted the British Government in order to look at the area of major expansion. Although as I have already mentioned in the answer, we are now looking at improving the facilities at present available and this will mean approaching the British Government, with a view of expanding the existing facilities.

HON K B ANTHONY:

The Minister mentioned the northern European destinations. Does this eliminates countries such as Switzerland, Germany, which I call central European?

HON J E PILCHER:

It does not eliminate any country, at the moment, except that the companies that we are talking to at the moment, we are not prepared to divulge at this stage for obvious reasons.

MR SPEAKER:

Next question.

NO. 52 OF 1988

ORAL

THE HON A J CANEPA

Will the Minister make a statement of policy on economic development?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Mr Speaker, the Government is currently considering all development project priorities having regard to past commitments and to the Government's own plans, both immediate and for the future. We are also exploring the best ways of financing the overall development strategy, including the optimal allocation of the £6m ODA grant given in 1986 but which the previous Government barely managed to spend. Once we have completed our review we shall be making a comprehensive public statement.

SUPPLEMENTARY TO QUESTION NO. 52 OF 1988

HON A J CANEPA:

What is emerging, Mr Speaker, from their review? Can the Minister give any information regarding any decisions or views taken about the provision of more office accommodation?

HON M A FEETHAM:

The question of office accommodation indeed, along with the main social priorities of this Government, providing houses will be considered in the development plans which at the moment Government is giving urgent consideration and will be made public as soon as possible.

HON A J CANEPA:

Can the Minister be a little bit more precise, what is meant by as soon as possible, has he set himself a target date by which he would be in a position to give this House more information?

HON M A FEETHAM:

The Development Plans of the Government will be made public as it happens within the course of the next few months.

MR SPEAKER:

Next question.

THE HON A J CANEPA

What is the retainer fee being paid to Mr Peter Simonis to act as adviser to the Government "in developing and promoting its industrial and investment strategy abroad"?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, as already mentioned in answer to question No.50, Mr Simonis resigned as Chairman of GSL after consultation with the Minister for GSL and myself. Having had direct contact with Mr Simonis, I valued the input that he could make in giving advice from an international angle to the Government "in developing and promoting its industrial and investment strategy abroad." The Government is therefore retaining Mr Simonis on a fee of £7,500 per annum to act as an adviser on an as and when required basis. This will entail an almost weekly input on the Government strategy abroad. Mr Simonis has also agreed to continue as a non executive director of the GSL board at no extra cost either to the Government or to GSL.

SUPPLEMENTARY TO QUESTION NO. 53 OF 1988

HON A J CANEPA:

Sir, are there any other expenses that are going to be met by the Government. For instance, air passages, hotel expenses and so on.

HON CHIEF MINISTER:

We do not anticipate that in the role of adviser to the Government as such, there will be a need for Mr Simonis to be travelling specifically to Gibraltar. When he travels to Gibraltar to attend meetings of the Board, then I would imagine that his expenses will be met by GSL as they are for anybody else that comes from abroad for GSL meetings. The position will be that Mr Simonis's out of pocket expenses, for example, if it was thought necessary that he should do some work for us when he is himself abroad on business from London, then anything additional to his own normal expenses which arise out of work he is doing for us, we would obviously meet. He would not be expected to meet any out of pocket expenses out of the £7,500.

HON J E PILCHER:

Sir, perhaps I can expand on that because the Honourable the Chief Minister was mentioning that when he does attend the meetings of the GSL Board and as I have said probably the next two or three meetings, he will be obviously paid from the Company, but one thing that I must stress is that the expenses side of it are now being monitored by the Company for everybody and that also includes Mr Simonis.

HON A J CANEPA:

On a more general nature, Mr Speaker. Having regard to their oft expressed antipathy to the engagement of UK consultants, or experts, why does the Government really feel that it is now necessary to engage such an expert as Mr Simonis.

HON CHIEF MINISTER:

Well, Mr Speaker, the antipathy that we have is an antipathy to a situation, for example such as the one that existed in GSL before we took over, where the Gibraltarians had to pay their own water, electricity and rents and the expatriates get paid £400,000 tax free. Were the Government allowed a situation to persist, where the Managing Director in total emoluments was collecting £120,000 a year. For £7,500, Mr Speaker, we are not paying Mr Simonis more than we would pay a Gibraltarian, and our antipathy to expatriate consultants to which the Leader of the Opposition refers is an antipathy to the Government of Gibraltar treating its own citizens as second class.

HON A J CANEPA:

I think he has just mis-directed himself in answering my question, Mr Speaker, by dealing just with GSL. The question was about the engagement of Mr Simonis in developing and promoting its industrial and investment strategy abroad. That surely goes beyond the ambit of GSL, and what has happened over the years is that the previous Opposition were never very kindly disposed to the Government engaging consultants on anything. On the supply of water, electricity or what have you. It is in that context that I am asking why they feel that they should now have a consultant, be it Mr Simonis or be it anybody else.

HON CHIEF MINISTER:

Mr Speaker, I would imagine that with the years that the Leader of the Opposition has been in Government, he would know that consultants come much more expensively than this. Unless it is that the previous AACR administration was so inefficient that they were paying through the nose for consultancies and well above the market price. Mr Simonis is not carrying out a consultancy for the Government, the consultancies that the Government has been obliged to continue with, for example, the one on electricity supplies, we are continuing with because there was an on-going commitment from the previous administration which we could not stop. That will cost £30,000 or £40,000, not £7,500 a year. I wish if it was possible to engage consultants at £7,500 a year, much of the antipathy will disappear.

HON A J CANEPA:

The reason is then that Mr Simonis comes cheap at the price?

HON CHIEF MINISTER:

Because Mr Simonis is providing a very valuable service to the Government and the Government is supplying the same criteria of value for money to the employment of Mr Simonis, not as a consultant, and not at consultancy fees, and frankly, I doubt whether we will be able to buy the skills that Mr Simonis has to act on our behalf in the market at anywhere near this price. We have a worthwhile investment. If the members opposite think he is too expensive at this price, then I am surprised they were paying him £30,000 a year before.

HON P C MONTEGRIFFO:

Mr Speaker, if Mr Simonis's abilities in marketing are so important, who will replace Mr Simonis as the spearhead or the role that Mr Simonis will conduct within the next few months after his departure? Will it be the Minister heading the Board?

HON J E PILCHER:

I think the Honourable Member has misunderstood the answer. Mr Simonis was not a spearhead on the marketing side of the company. What Mr Simonis produced for the Company at a very, very high price, was in fact what the Honourable the Chief Minister is saying, he produced for the Company a feedback on the international side of people that we were to contact, and therefore there will be no requirement after he has passed on basically his knowledge to the Board there will be no requirement to have Mr Simonis on the Board, although GSL, through the Gibraltar Government may wish to seek his advice on any matter in the future, but we will not be paying for it.

HON P C MONTEGRIFFO:

Mr Speaker, if I could just perhaps change the question. Who will be conducting.....

MR SPEAKER:

There will be no need to have anyone once Mr Simonis has been there for a little while.

HON P C MONTEGRIFFO:

So after a few months there will be no need to develop....

HON CHIEF MINISTER:

No, Mr Speaker, perhaps I can clarify the position with the Member opposite. Mr Simonis's position on the Board of GSL is one which he is giving for nothing as a service to GSL in

4.

order to ensure continuity between the new Board under the new Chairman, my colleague, and himself as a previous Chairman. That is expected to last a few months. The continuation of Mr Simonis in assisting the Gibraltar Government in developing its strategy is one that will be reviewed between himself and us annually.

MR SPEAKER:

Next question.

NO. 54 OF 1988

ORAL

THE HON P C MONTEGRIFFO

Will Government reveal full particulars of the various joint venture companies which it is proposing to set up, including details of those private concerns which have been approached or are committed to participation?

ANSWERTHE HON THE MINSITER FOR TRADE AND INDUSTRY

Mr Speaker, the Government will shortly be setting up a number of joint venture companies. The particulars, or operations, of these companies will be of a purely commercial nature and the Government's view therefore is that it is not a matter which requires prior discussion in this House. We will naturally make public statements as and when appropriate.

SUPPLEMENTARY TO QUESTION NO. 54 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, can we not have some details of the areas of business in which the companies are going to be engaged at all, is that not something which the public and this House have a right to know.

HON M A FEETHAM:

Only when it happens, Mr Speaker.

HON P C MONTEGRIFFO:

But surely, you have plans that have been prepared by the GSLP for many many years, so we were let to believe.

HON M A FEETHAM:

Mr Speaker, the philosophy has been prepared. The details of entering into discussions and choosing commercial partners is one that the prerogative lies with the Government and when the Government has finalised its negotiations and discussions, we will make a public statement and the public will know exactly what has been happening.

HON P C MONTEGRIFFO:

Can the Government explain of the private concerns that have been approached, how many are from outside Gibraltar and how many are from within Gibraltar?

HON M A FEETHAM:

The Government is obviously interested in promoting both the participation of the local private sector and for political and commercial reasons, is also interested in extending its

influence and marketing and business interests in Europe as a whole. Consequently, both private interests and other interests outside Britain are being considered in these partnership.

HON P C MONTEGRIFFO:

Do I then understand that the plans for the Joint Venture Companies are still very much at a primitive and preliminary stage and that in fact even details of say basic business plans have not been put together with details of the interested parties involved?

HON M A FEETHAM:

I can assure you that the policy of the Government in respect of Joint Venture Companies are not at the primitive stage.

HON P C MONTEGRIFFO:

Will the Honourable Minister tell me when the first Joint Venture Company will be launched?

HON M A FEETHAM:

I think the most honest answer I can give to that is when it is announced.

HON LT-COL E M BRITTO:

Is it their intention to have ministerial involvement in the Joint Venture Companies or not?

HON M A FEETHAM:

It is not necessarily, Mr Speaker.

MR SPEAKER:

Next question.

NO. 55 OF 1988THE HON P C MONTEGRIFFO

Can Government confirm that St Jago's has been earmarked as the site for the proposed National Bank and give full details of how and when the Bank is to commence business?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, I would like to say, first of all, that it is the intention of the Government to implement all its commitments in the Election Manifesto during the four year term of office, and not in five weeks. I can confirm that the St Jago's building will not be used for Government office accommodation and that it is being considered as possible premises for the National Bank. As explained in our Election Manifesto, it is proposed to have the bank operational during our first year in office.

SUPPLEMENTARY TO QUESTION NO. 55 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, bearing in mind that we know in this case the nature of the business, can the Chief Minister give us a breakdown as to whether apart from small deposit taking and related business will the Bank undertake trusteeship work, work of investment advice, etc. What will be the range of the services offered by the Bank?

HON CHIEF MINISTER:

Mr Speaker, I thought the Honourable Member wanted to know what was happening to St Jago's, not what was happening to the Bank.

HON CHIEF MINISTER:

Mr Speaker, I thought the Honourable Member wanted to know what was happening to St Jago's, not what was happening to the Bank.

MR SPEAKER:

The procedures of how and when the Bank would commence business.

HON CHIEF MINISTER:

As far as what the Bank is going to do, when and how it will commence business, the position is that the Government will be a shareholder in the Bank and we will expect the professional managers of the Bank to decide what business is possible to take on. The Bank will not be receiving political directives from us saying give loans to the GSLP but not to the AACR, so the Honourable Member has nothing to worry about.

HON P C MONTEGRIFFO:

Mr Speaker, that is not my question. I think the Honourable Chief Minister knows it. I am asking a simple question, that there could be different kinds of Banks. I am asking apart from small deposit taking, is it the intention of the Government that the Bank should also undertake work of a different nature, trusteeships, investments advice, a whole range of other activities which the Honourable Member knows, in fact, it could undertake, but which I am not clear whether this one will.

HON CHIEF MINISTER:

The Articles of Association of the Bank will be the normal Articles of Association of a Bank allowing it to undertake whatever businesses banks can undertake. The management of the Bank and the Board of Directors of the Bank will have a brief from the Government to operate the Bank profitably so that the people of Gibraltar and public finances will benefit, and it will be their decision and not the Government's decision what business they undertake, and that is the answer that I have already given and I am afraid there is no other answer that I can give.

HON P C MONTEGRIFFO:

Mr Speaker, could I ask another question. Can the Honourable Member give an indication of the estimated costs.....

MR SPEAKER:

No, no.

HON P C MONTEGRIFFO:

One final question then. Would the Honourable Member give us an indication of the proposed deposits which the Government envisages it will be able to attract in the first year of operation of the Bank?

HON CHIEF MINISTER:

No, I mean I doubt it there is a Bank in the world that can tell people what deposits it will attract before it has even been incorporated. The Honourable Member seems to expect me to have not only the speed of "speedy gonzalez" in five weeks, but to be clairvoyant and have a crystal ball at the same time. I understand from professionals in the business that with a share capital of £5m, a ratio of £20m of deposits will be considered quite a safe and conservative ratio. Certainly the Bank will be required in obtaining its licence to meet the requirements of the Gibraltar Banking Ordinance and would be expected to be in a situation of compliance with the new moves in the European Commission for harmonisation of Banking Laws.

I understand that the ratio of reserves to deposits that the European Banking community is looking for is something in the order of something of 8%. Those are technical things which we would expect the professional managers to bear in mind. The Government is not making it a condition in setting the Bank up that it will reach a certain level of business, except that one thing that I can say is that the Government will be banking with its own bank and that the Government is in fact the biggest customer that exists in Gibraltar.

HON P C MONTEGRIFFO:

Mr Speaker, do I therefore understand the Chief Minister to say that the extent of profitability.....

MR SPEAKER:

No, we are not going into the profitability of the bank under any circumstances.

HON A J CANEPA:

Mr Speaker, is the Honourable Chief Minister aware that the previous Government as an employer had entered into a commitment with the Gibraltar and General Clerical Association in respect of the provision of office accommodation, that included St Jagos?

HON CHIEF MINISTER:

Well, I am not sure to what the commitment was. What I can tell the Honourable Member opposite is that I have had a meeting with the GGCA committee and I have explained to them that the policy of the Government of Gibraltar is to use its resources to maximum benefit and that we feel that the prime Main Street location is not required for the work that many of our civil servants have to do, but that there is a commitment from us as a Government to provide modern working environments for both industrials and non-industrials, purpose built for that end, and that they should exercise a little bit of patience with us. We are looking at some of the worst areas of bad working conditions to try and alleviate them first, and we have had a very good response from the Union in support of the Government.

HON A J CANEPA:

So he has given an assurance to the Staff Association that the Government as a matter of policy is committed to re-providing them with the offices that they would otherwise have had at St Jagos.

HON CHIEF MINISTER:

No, the Government as a matter of policy is committed to re-providing a far bigger number of civil servants than would have figured in St Jagos.

HON A J CANEPA:

Is there any fine scale on the Government's plans or is that still very much in the air?

HON CHIEF MINISTER:

No, at this stage it is clear that it is a policy of the Government and in looking at sites, one of the problems, Mr Speaker, that we have in trying to formulate the plans in the absence of statistical information in the shape that we need, and the Government is still trying to find out exactly how many properties it owns in Gibraltar, which apparently, nobody had ever thought of putting together into one single package to be looked at. In looking at those resources, we have a commitment to give good working conditions as employers. Giving a good example to our employees, industrial and non-industrial; but to do it ideally in areas where the site is not in competition for other use. We are looking at the use of land for housing, for hospitals, for offices, for workshops and for commercial development. Within that overall plan, there will certainly be a place for Government offices, and we hope that that will be possible to translate into a reality, certainly by halfway through our term of office.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Will Government make public the Report of the Joint Study Group once received?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, I am assuming that the Hon Member is referring to the report on the Payment of Spanish Pensions after 1989. Although the previous Government was not prepared to commit itself to publishing the report. I think the answer I got, at the time from the Chief Minister to Question No. 274 of 1987, was 'I would like to see what the report looks like before we decide what happens'. I am nonetheless being more open minded willing to commit myself. In fact we have got no objection to making the report public and as the House is aware, we were opposed to the setting up of a Joint Study Group when it was announced. By publishing the report, the people will then have an opportunity to judge why we were right in raising objections to it and why the previous Government was so mistaken in agreeing to having the report.

HON DR R G VALARINO:

Mr Speaker, I thank the Honourable Member for the reply. He has got his answers mixed up, the question was 392 of 1987. What I would like to know is when is the report expected and has a draft of the report already been received by the Chief Minister?

HON CHIEF MINISTER:

Let me say, Mr Speaker, that the answer that I quoted was in a supplementary to Question No. 274 of 1987 on the 19 October 1987, I think if he checks that, Mr Speaker, As regards the draft report, I understand from the previous Government that there was a draft report produced when they were in office and that that draft report was returned to UK with comments locally. I believe the Honourable Member opposite provided some information to the House on this matter when he was sitting on this side. Whether the draft report has now been finalised or not I am not in a position to state, nor am I in a position to give the date when we will receive it. What I am in a position to state is, and we do not consider ourselves bound by the recommendations of that review, and consequently, our position will not change by what the review says and we are not particularly worried about when it arrives.

HON A J CANEPA:

Is the Chief Minister aware that I myself had not been successful in obtaining a copy of the report or of the draft report when I presided over the Government?

HON CHIEF MINISTER:

No, Mr Speaker, I am not aware. I assumed that the previous administration who were involved in setting it up had access to it. I certainly have not pressed to be given a copy because the position that I took with Sir Geoffrey Howe on the matter was that whereas Her Majesty's Government were saying that they wanted to wait for the report to decide whether they would pay, I could tell them before the report came, that I was not prepared to pay, so I do not need the report to tell me that.

HON DR R G VALARINO:

I do hope that the report will be made public as soon as the Honourable receives it.

HON CHIEF MINISTER:

We are quite happy, Mr Speaker, to make it public immediately it arrives on the plane. I can send the Honourable Member a copy by courier straight from the airport.

HON DR R G VALARINO:

Thank you.

MR SPEAKER:

Next question.

NO. 57 OF 1988

ORAL

THE HON P C MONTEGRIFFO

Will Government give full particulars of how and when the proposed restructuring of the Civil Service and public administration is to take effect?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, the restructuring of the Civil Service and the administration generally is a matter which will be discussed with the Unions and Staff Associations concerned. Once we reach an agreement or understanding, full particulars will be made public. It will not be right in our view for the Associations to find out through an answer to a question in the House.

SUPPLEMENTARY TO QUESTION NO. 57 OF 1988

HON P C MONTEGRIFFO:

Does the proposed restructuring at least involve an increase in public sector employment or is the restructuring of an internal nature not involving actual growth within the sector.

HON CHIEF MINISTER:

It does not involve growth in the sector. Before the elections, in fact, Mr Speaker, the Party in meeting with the Civil Service had made clear to the Union that the policy would be to re-deploy people from areas where we felt the work that was being done was less valuable and perhaps people themselves felt that they were not being fully utilised to other areas where they could provide a more valuable service to the public and better value for tax-payers money. That is the thinking, it is not to increase the size.

HON P C MONTEGRIFFO:

Mr Speaker, bearing in mind the Chief Minister's answer, can you give us an indication of the time-scale involved in the restructuring and when will we expect to see the first restructuring steps?

HON CHIEF MINISTER:

Yes, I think the first restructuring steps will take place over the next fortnight. It will be an on-going process, but certain changes have already been planned and these changes are currently being discussed between the Industrial Relations Office and the Unions concerned and although it is a very small start, it is a start that in the Government's view, will bring about an improved facility for handling pay negotiations to the machinery that existed before.

HON A J CANEPA:

Which are the Unions, Sir, which are to be consulted regarding the restructuring?

HON CHIEF MINISTER:

The Union primarily concerned is the Clerical Union, GGCA.

HON A J CANEPA:

Is not the restructuring likely to have any repercussions affecting personnel represented by the IPCS or the ACTSS?

HON CHIEF MINISTER:

Not in this particular instance.

HON A J CANEPA:

No, generally, the general restructure?

HON CHIEF MINISTER:

After restructuring takes place, the people affected will be consulted directly and through their proper unions, but in this particular case, the one that we have started with, which is an important area from our point of view, because it facilitates the rest of the restructuring as it were, is one where the grades involved are all GGCA grades.

HON A J CANEPA:

So the general restructure which the Government has in mind does not just concern the GGCA, but it will concern the other non-industrial unions that have representation for employees in the Government?

HON CHIEF MINISTER:

The philosophy of the Government is to use its 3,600 employees to maximum benefit. Consequently, there are no exceptions. The restructuring involves looking objectively at the work on which people are employed, industrial and non-industrial, and if we find that they could be better employed in some other way we will explain why we want to change what they are doing to something else that is more valuable. It will be done through the machinery of the Association that represents those involved.

HON A J CANEPA:

Is the Chief Minister likely to ask for outside help, such as for instance, from personnel skilled in this area, let us say, from the British Government?

HON CHIEF MINISTER:

It is something that we have not considered within the context of the detailed negotiations or the detailed plans for restructuring, which are not pre-determined as such, but are an on-going process of the restructuring. It will not be something that begins and ends, but will be an on-going process. I think where we may find it valuable to get some help or advice from Her Majesty's Government or even from the UK Departments in Gibraltar, the way decision making proceeds within our administration. It may be a way that may not have been looked at for many many years, and we may still be doing things in a particularly long-winded way, where other people have since then, if you like, streamlined their procedures and produced better results. Certainly if we need any advice or help in that area, I am sure that we will find that the people concerned are willing to give it.

HON DR R G VALARINO:

Mr Speaker, is there truth in the rumour that you are going to recruit Joe Pitaluga to help you in this respect?

HON CHIEF MINISTER:

Certainly not at £20 an hour like the previous administration paid him.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

Will Government make a statement of policy on import duties generally and in particular its position on Gibraltar forming part of the EEC's Customs Union?

ANSWERTHE HON THE MINISTER FOR TRADE & INDUSTRY

Mr Speaker, the Government has already considered this matter in relation to the prospective aim of establishing a Single European Market in 1992. The Chief Minister took the opportunity of informing the Secretary of State, during our recent meeting, that we proposed to review Gibraltar's position vis-a-vis the EEC's Custom Union. It was agreed that the matter would be looked at by officials and that Her Majesty's Government would provide a specialist input.

SUPPLEMENTARY TO QUESTION NO. 58 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, bearing in mind the study that is being undertaken, does not the Government agree that inclusion in the Customs Union would imply therefore a policy of export to Gibraltar, and if so what would be the nature and level of the export that Government has in mind.....

MR SPEAKER:

No, I do not think that is a question that can be asked as a supplementary, it is a detailed question that requires prior notice.

HON M A FEETHAM:

Mr Speaker, in fact, the study will show what are the pros and the cons. Let us be quite clear about one thing. This Government has been the only Government before the election, during the election and today maintaining a position of a Single European Market which the Opposition never mentioned at all and where we see that there are possible dangers with the introduction of a Single European Market, in relation to our competitiveness with Spain and in relation to our ability to export into the European market later. And it is against that background, that we feel that a thorough study of the problems will reveal what advantage or disadvantages we will have.

HON P C MONTEGRIFFO:

Mr Speaker, does not the Government agree that the possibility of going into the Customs Union could also involve the introduction of VAT, and would this not significantly affect Gibraltar's competitiveness in other areas?

HON M A FEETHAM:

First of all, the advice that we have got is that it does not. But secondly we will know that once we have finalised the study and that is why we are asking for specialist input. Something that should have been done, perhaps, three years ago, and not commenced now.

HON P C MONTEGRIFFO:

Can we have an indication from the Government when that study will be available and the time-scale when it is expected?

HON M A FEETHAM:

Let me say that the study has not even started yet. We have not even got the specialist appointed by Her Majesty's Government.

MR SPEAKER:

Next question.

NO. 59 OF 1988

ORAL

THE HON A J CANEPA

Will the Chief Minister state whether he has agreed with HE The Governor and with the British Government to be bound by the principle of confidentiality regarding consultation on matters connected with foreign affairs?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, neither HE nor the British Government have made an issue of the question of confidentiality. As I stated at the time, as Leader of the Opposition, I am fully prepared to accept consultation on the terms observed by Sir Joshua Hassan as Chief Minister which allowed full consultation with the rest of the Government. It will also be recalled that in November 1983 when Sir Joshua gave Sir Geoffrey Howe the go-ahead to discuss advancing of EEC rights to Spanish nationals, he was able to inform Mr Mascarenhas, at the time, on the Executive of the AACR, but not an elected member of the House, without breaking confidentiality.

SUPPLEMENTARY TO QUESTION NO. 59 OF 1988

HON A J CANEPA:

The Chief Minister has said that neither the Governor nor the British Government have raised the matter. Has he raised the matter, and if not, does he intend to do so?

HON CHIEF MINISTER:

No, I have not raised the matter, they have not raised the matter, they do not think it is necessary and I do not think it is necessary and I am certainly not prepared to do it to please the Leader of the Opposition.

HON A J CANEPA:

He would not be pleasing me, Mr Speaker. My objective is purely to ensure that the people of Gibraltar are kept fully informed in this vital area that concerns their future.

HON CHIEF MINISTER:

Well I do not see how his objective can be to keep the people fully informed if he wants me to accept confidentiality. It seems to me he is trying to do the opposite, Mr Speaker.

HON A J CANEPA:

We will not know, therefore, whether the approach of the

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Chief Minister is likely to be, shall we say, a correct approach until the matter is put to the test, is that it?

HON CHIEF MINISTER:

I think you can say that, whether I have accepted confidentiality or not, is confidential, Mr Speaker.

MR SPEAKER:

Next question.

NO. 60 OF 1988

ORAL

THE HON A J CANEPA

How does Government propose to pursue the question of Gibraltar representation in the European Parliament following the positive vote taken by the Petitions Committee?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, the question of Gibraltar representation in the European Parliament was pursued after the outcome of the vote taken by the Petitions Committee was made known. This was done immediately through the Governor's office. The Government will continue to discuss this matter in close consultation with Her Majesty's Government as part of the harmonious working relationship which we have already established following my recent meeting with the Secretary of State.

SUPPLEMENTARY TO QUESTION NO. 60 OF 1988

HON A J CANEPA:

Does that mean that the Chief Minister is contemplating going it alone and not working with other political forces through the European Movement?

HON CHIEF MINISTER:

No, it means the Chief Minister, Mr Speaker, accepts that the responsibility of the office requires him to behave in a way in which the previous long-term Chief Minister, Sir Joshua Hassan, behaved; I do not know whether the interregnum, the Leader of the Opposition, behaved in a different manner, but certainly we will be participating in any initiative that others may wish to start, but as a Government, and I am sure that he agrees with me that Governments have got special responsibilities, we are treating the matter with the sensibility it requires directly with Her Majesty's Government.

HON A J CANEPA:

Will the Chief Minister give an assurance that whatever action he takes will not cut across the initiatives that have already been taken by the European Movement?

HON CHIEF MINISTER:

I am not sure which initiatives the Honourable Member is referring to.

HON A J CANEPA:

Quite simple, Mr Speaker. Is it not a fact that continuously over the years, the European Movement has in fact been the

forum that has been pursuing the question with the support of all political parties in Gibraltar, the question of Gibraltar's representation in the European Parliament?

HON CHIEF MINISTER:

As I have already said, Mr Speaker, that any initiative by other parties which is brought to our notice for involvement and support we will support. If the Honourable Member is saying that we are going it alone in the context of this House, then the view of the Government of Gibraltar is that we do not believe in bi-partisan policies.

HON A J CANEPA:

It is not just a case of bi-partisan policies affecting this House, Mr Speaker. It goes beyond the boundaries of this House. Is the Chief Minister, therefore saying that unless an initiative is taken by the European Movement or other political force with the Government, he himself has no intention of consulting them on the matter.

HON CHIEF MINISTER:

No, I am not saying that, Mr Speaker. What I am saying is that in answer to the question which is to ask us what we propose to do, I have told him what we propose to do and that is the position. We have already taken the matter up. We are pursuing the matter directly with the British Government. When we feel that it is necessary to go back and inform people of any progress that we have made, we will do so. Certainly, the representatives of the European Movement were informed by me in my office that this was already happening before the Honourable Member even thought of putting a question in this House. They came to see me and I told them.

MR SPEAKER:

Next question.

NO. 61 OF 1988

ORAL

THE HON A J CANEPA

Will the Chief Minister extend an invitation to Her Majesty the Queen and to the Prime Minister for them to visit Gibraltar, bearing in mind their proposed visits to Spain in the autumn?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, I would remind the House that as far back as March, 1977, I moved a Motion in this House proposing that Gibraltar should extend an invitation to the Queen to visit Gibraltar. At the time, and for reasons which remain unclear, my motives were considered to be suspicious by the Members of his Party in this House. If he looks at the Hansard, he will find that I was being accused at the time, by implication and by innuendo, of wanting to behave in a way that would embarrass Her Majesty. As far as I, and the rest of the Government are concerned, that invitation, which was supported unanimously in an amended motion making it open-ended, ie instead of being for immediate implementation it said 'whenever Her Majesty feels is right' still stands. I have assumed that Her Majesty's Government have taken account of our desire for a visit by the Queen, and indeed the Prime Minister, when it was decided to arrange their respective visits to Spain later this year. For this to happen it was necessary that Sir Joshua Hassan, when he was still Chief Minister last year, should have raised the matter with London because, according to the explanation given by him in reply to my motion in March, 1977, it takes over a year between the time an invitation is issued and the visit can take place given Her Majesty's busy schedule. I have no idea why the AACR Government took no action on the matter at the appropriate time in 1987.

SUPPLEMENTARY TO QUESTION NO. 61 OF 1988

HON A J CANEPA:

Mr Speaker, we have on a number of occasions today been discussing more the last four years, than what the Government's policies are, ie we are now going back 12 years ago, when there are in the House today one, two, three Members, four who were Members of the Hosue then, how far back are we going to be going, Mr Speaker, when matters are raised in the House in justification of the inadequate answers which the Government is giving?

HON CHIEF MINISTER:

Shall I answer?

HON A J CANEPA:

No, I am aware.....

MR SPEAKER:

Order, order. I will remind the public gallery that they are here to listen on sufferance and that they are not under any circumstances to interfere with the proceedings of the House or to intimidate or inhibit any Member when he is on the floor. I know that on many occasions it is easy to forget, for we are all human, but on the other hand we must be careful that this does not happen.

HON A J CANEPA:

I am fully aware, Mr Speaker, that the visits of Her Majesty the Queen are planned years ahead, and therefore my question in the House today is that the Chief Minister should extend an invitation for the future, it is not that we on this side are expecting the Queen to visit Gibraltar at the same time as she visits Spain. Will he therefore extend such an invitation for the Queen to visit Gibraltar at some time in the future when it is convenient for such a visit to be included in her programme.

HON CHIEF MINISTER:

Mr Speaker, as the original reply to the question says. We consider that there is an open standing invitation because what was moved, not by me, but the amendment moved by Sir Joshua Hassan in 1987 which said that 'This House records its great desire to welcome Her Majesty on a visit to Gibraltar at whatever time such a visit might be thought convenient and appropriate'. What I will do to keep the Honourable Leader of the Opposition happy is in fact find out whether the British Government is aware that there is an open standing invitation from the people of Gibraltar.

HON A J CANEPA:

No, Mr Speaker, that is not good enough. We are a new House of Assembly, Mr Speaker. There are many new Members now who were not here in 1977. The Question that I have put to the Honourable Chief Minister, expresses the desire of Members on this side of the House having regard to what we think are the feelings of the people of Gibraltar, that the people of Gibraltar would like to have an opportunity to express their loyal feelings to Her Majesty the Queen in person.

HON CHIEF MINISTER:

Mr Speaker, I am afraid that what is considered by the Member opposite not good enough is irrelevant, he is not here to lecture us as if we were in a classroom and he was a school teacher. The position of the Government of Gibraltar is as stated in our answer. We think that the decision taken in 1977, which the AACR then was unhappy with, because they thought it was a move on my part to embarrass Her Majesty, and which I am

glad to say they have now changed their mind over, because I imagine, he does not want to embarrass Her Majesty by insisting that we should invite her. Is one where we consider as the answer states, 'Her Majesty's Government have been aware of'. But if they are not aware of it, I will make it my business for them to understand. If he wants something else done, then I am afraid he has to wait until 1992 and include it in his manifesto.

HON A J CANEPA:

Does the Chief Minister not agree, whatever the motives were in 1977, and quite honestly, Mr Speaker, I am not concerned. Not after the passage of these years. Does he not agree that Spain can hardly take umbrage at the Queen or the Prime Minister visiting Gibraltar, having regard to the plans that there are for these visits to take place to Spain in the autumn.

HON CHIEF MINISTER:

I am not aware, Mr Speaker, that I have to answer in this House for Spain's feelings. Quite frankly, I do not care whether they take umbrage or do not take umbrage. The policies of the Government of Gibraltar are not determined by any umbrage that may be taken by Spain or by any umbrage that may be taken by the Leader of the Opposition for that matter.

HON A J CANEPA:

Does he not agree that having regard to the desire of the Foreign Secretary to visit Gibraltar in the near future, that it would be most appropriate if the Prime Minister were to do so as well?

HON CHIEF MINISTER:

Well, I am not sure that we can actually expect Her Majesty's Government to send us the entire Cabinet out here, Mr Speaker. But I would think that the desire of the Foreign Secretary to visit Gibraltar might not be unrelated to the view that there should be a visit from a Member of Her Majesty's Government at senior level to Gibraltar. Certainly, the Government of Gibraltar would be very happy to welcome to Gibraltar, the Prime Minister or Her Majesty the Queen or anybody else representing the British Government that wants to come. If we find that there is a desire to come to Gibraltar, or that if we feel that there is a pressing necessity, for them to come, and if it is something that can be fitted into their future schedule, we will explore that possibility. It is not as far as we are concerned a major issue.

HON A J CANEPA:

Will he therefore indicate and express those same views that he has just expressed to His Excellency the Governor for onward transmission?

HON CHIEF MINSITER:

I have already said several times, Mr Speaker, in answer to the supplementaries, that the position as we stated in the original answer to the original question was that we consider that Her Majesty's Government is fully aware of the situation, but that if it would help to satisfy the Honourable Member opposite, then we will make sure that they are fully aware.

HON A J CANEPA:

Does the Chief Minister not agree also that the forthcoming visit of His Royal Highness, the Duke of Gloucester is not regarded by us as being a substitute, a sop, if I may put it that way, for the fact that the Queen is visiting Spain in the autumn?

HON CHIEF MINISTER:

Well, I am not sure that His Royal Highness, the Duke of Gloucester, would be too happy to be called a sop. I do not know whether that remark is an indication that prior to the 25 March, the possibility of the Duke of Gloucester being a sop in substitution for the Prime Minister or somebody else was something that had been filtered through to the previous administration. Certainly, since the 25th March, nobody has suggested to us that the visit of His Royal Highness, the Duke of Gloucester is connected with anything at all, other than the heritage.

HON A J CANEPA:

My understanding, Mr Speaker, is that Sir Joshua Hassan certainly made it clear, at the time when it was known, that the Duke of Gloucester would be visiting Gibraltar, that that was not regarded as a substitute visit, and I certainly did the same during the time that I was Chief Minister.

MR SPEAKER:

I think this is as far as we can go. Next question.

THE HON P C MONTEGRIFFO

Can Government confirm what its policy is on the taxing of financial and other institutions undertaking offshore business from Gibraltar?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Mr Speaker, as stated in the GSLP Election Manifesto, it is not the intention of the Government to introduce a Capital Gains Tax or to make any changes in the tax status of offshore companies. However, any fiscal changes which will make Gibraltar more attractive to the international financial services community will be given favourable consideration by the Government.

SUPPLEMENTARY TO QUESTION NO. 62 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, can Government not confirm that no distinction will be drawn between undertaking work from Gibraltar with a bricks and mortar presence as opposed to other undertakings using Gibraltar without a physical presence here?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I do not think that that particular Question arises directly out of the question which the Honourable Member asked, Mr Speaker. Certainly, the question of a bricks and mortar presence as opposed to a brass plate presence is something which we have continually under review where appropriate and in appropriate circumstances.

HON P C MONTEGRIFFO:

Mr Speaker, I beg to differ, the Question quite frankly is connected to this. If there is any truth in press statements in the financial press that it is Government's intention, or Government is considering introducing a 10% tax on institutions doing off-shore work from Gibraltar in terms of with a bricks and mortar presence in Gibraltar, ie the banks and trust companies operating from here?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker. As I have already said, there are no such plans on behalf of the Government.

HON P C MONTEGRIFFO:

Can we have an undertaking that no such tax will be imposed, during the term of office of this Government?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

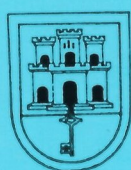
No, I have only joined the GSLP five weeks ago, Mr Speaker. I am sure the Honourable Member would not expect, an old professional like myself, to fall into that particular trap. We will seriously keep everything under review and I can assure the Honourable Member that it is our desire to make Gibraltar more attractive to the International Financial Services Community. Consistent, of course, with proper regulations of activities carried out by the Financial Services Community.

MR SPEAKER:

Right, that is the end of Questions.

GIBRALTAR

HOUSE OF ASSEMBLY



QUESTIONS AND ANSWERS

15TH NOVEMBER, 1988

63 TO 174

THE HON P C MONTEGRIFFO

Will Government consider introducing the EEC UCITS Directive into Gibraltar legislation as a matter of urgency in order to maximise Gibraltar's potential as a European base for collective investment schemes?

ANSWERTHE HON THE CHIEF MINISTER

Yes Mr Speaker. The proposals for the legislation which is required to implement the UCITS Directive is almost complete and it is expected that work on the actual Bill will soon commence. The aim of the Government is to have the legislation on the Statute Book as early as possible.

SUPPLEMENTARY TO QUESTION NO. 63 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, I am grateful to the Chief Minister for that. Is the Chief Minister aware of recent international press reports that have actually called into doubt Gibraltar's ability to pursue quickly this legislation and to introduce it. That is one of the main reasons, of concern, for bringing this question. I hope that the message that the Chief Minister has given will in fact stop these reports that have been coming out in the international press. Is the Chief Minister aware of that?

HON CHIEF MINISTER:

I am not aware of the ones that the Honourable Member is specifically thinking of, but I am aware that now and again, we seem to get a bad coverage in the Financial Press. I think undeservedly so, and sometimes I honestly believe that there are people who have got a vested interest in encouraging international investors to put their money elsewhere and that is why they pick on us. But certainly the Government is committed to deal with this matter quickly. It has been hanging around now for along time. The House will recall that it was in October, 1987 when the Companies Ordinance was amended and in fact the Financial and Development Secretary, at the time, in moving the amendment to the Ordinance explained that it was in order to bring in UCITS, and if you will recall, Mr Speaker, a memorandum was distributed giving the explanation of what UCITS was and how it operated. We are already de facto allowing one particular company to market Unit Trusts on the basis that it complies with what will be required under UCITS and even if we have the law on the Statute Book we will not shut the door to press bad names.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

Can Government confirm whether the DTI investigation into Barlow Clowes was extended to Gibraltar as requested by the Chief Minister and what the outcome of such enquiry on the Gibraltar position revealed?

ANSWERTHE HON THE CHIEF MINISTER

No Mr Speaker. I was informed that the enquiry was limited to the investigation and the establishment of the facts relating to the exercise by the Department of Trade and Industry and its regulatory functions into certain Barlow Clowes companies and that it could not therefore cover matters outside the Department's jurisdiction.

However, Sir Godfrèy Le Quesne's term of reference have enabled him to look into the question I had raised about what information was given to the authorities here, and I can do no better than quote the relevant passages from his report:-

"8.5 The Department did not know of the formation of BC1 at the time of which it was incorporated. The first reference to Gibraltar on the Department's files comes at the beginning of July 1986, when the Banking Supervisor of Gibraltar rang up an official of the Financial Services Division and said 'Barlow Clowes were advertising for staff for a Gibraltar office which was to be their international headquarters, with client servicing in Geneva'. The Supervisor said there was no licensing system for dealing in securities in Gibraltar, and asked whether the Department had 'anything against' Barlow Clowes.

8.6 The official said the Department had had no cause for concern about BC since they had been licensed. In his minute of the conversation, he said he did not think there was cause for alarm. 'Gibraltar is not perhaps the location to inspire confidence. (We would not agree with that). But we knew that BC had some off-shore operations when we licensed them. When their license renewal application comes in, we could usefully look for any changes in their activities and drop (the Banking Supervisor in Gibraltar) a line.

8.15 On 16 November 1987 Mr Ziman (one of the s.105 investigators) asked the Department for particulars relating to the companies listed in the Company's renewal application of July 1987. An official of the Financial Services Division asked the Enforcement Unit for the name of someone in Gibraltar from whom he might get particulars of BC1. He was told that an official from Gibraltar was about to come to London

to see the Enforcement Unit on other business. The official of the FS Division therefore spoke on the telephone to this official in Gibraltar and asked him to bring to London information about BCI.

8.16 The visit of the official from Gibraltar took place on 3 December 1987. He gave the Department a short summary of the particulars of the incorporation, the capital, the directors and the shareholders of BCI. The official of the Department who met him told me that he did not ask anything about the activities of BCI because the investigators' inquiry was then going on and in the absence of evidence within the Department that BCI was dealing in securities in Great Britain he was simply getting for the investigators material for which they had asked. On 31 December 1987 the Department wrote to the Gibraltar official at the investigators' request, asking for a copy of the BCI file. This was sent on 3 March 1988. The file was that maintained at the Gibraltar Companies Registry. It did not contain any information about the activities of BCI."

Clearly no warnings were given to the Gibraltar Authorities and I think the report demonstrates that.

SUPPLEMENTARY TO QUESTION NO. 64 OF 1988

HON P C MONTEGRIFFO:

Does the Chief Minister therefore agree that the way the matter has been dealt with effectively, absolves Gibraltar's responsibilities, inasmuch as an investigation may well have been extended in some other format if there had been some room for criticism or some need to investigate the Gibraltar position more deeply.

HON CHIEF MINISTER:

I believe that the reluctance on the part of the UK Authorities to investigate the situation in Gibraltar is a reflection of their unwillingness to assume responsibility for the situation in Gibraltar. We invited such an independent investigation because we are absolutely clear that there is no responsibility at our end and I think that their unwillingness to probe into the matter is because the more they probe the clearer we will be and the more likely they will then carry the moral obligation to do something about it at their end.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

What regulatory authority and systems does Government intend to set up to regulate financial services in the light of the Barlow Clowes episode and when will legislation setting up the necessary framework be enacted?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Mr Speaker, the Government does not accept that the Barlow Clowes episode, as the Honourable Member calls it, is an indication of a deficiency in the regulatory authority and systems of Gibraltar since it considers that the entire responsibility for the Barlow Clowes episode rests with the British Government and the DTI, so no special action is required because of the Barlow Clowes episode. The Government, however, recognises that it is important to have a system of licensing for financial intermediaries which has not existed until now and in proceeding with the introduction of such a system and the regulatory mechanism to monitor its effectiveness it has to take into account not only the experience in other jurisdictions but also the need to protect the position of professionals in Gibraltar who have been engaged in this field of business for many years.

The Government proposes to have the necessary legislation regulating financial intermedium in Gibraltar as early as possible. The possibility of engaging the services of an outside Draftsman for the purpose has not been discarded.

As the Hon Questioner will no doubt agree, the issues involved are rather complex and matters need to be carefully planned not only with regard to the legislation itself but also with respect to the regulatory body and supervisory systems that have to be set up.

SUPPLEMENTARY TO QUESTION NO. 65 OF 1988

HON P C MONTEGRIFFO:

Sir, I am grateful for that and I would not argue with the former part of the statement. But can the Minister be more precise as to what type of structure the proposed financial commission will take or how the framework will actually be set up. Have we got some indication at this stage, Sir, of what form this regulation will take?

HON M A FEETHAM:

No Mr Speaker, there has been an initiative, for example, the S.I.A. initiative which we found was not backed by

the whole Financial Centre industry and there was the question, of course, about self interest involved in such an organisation. For example, they could vet their own members but they could not back it with penalties. We are therefore looking for something more durable backed by statute. We have not discarded the possibility, for example, of something on the lines that we have at GBC, but there will have to be an overall body on the question of the Government's policy in respect of such a body.

HON P C MONTEGRIFFO:

I am grateful, Sir, however could the Minister perhaps give us some indication of time? I know the matter has been outstanding for a long time, but there is a real sense of urgency because of the need to re-establish confidence. I think that is a fair point. Could we also know something on the bringing of a Draughtsman, which I think is vital. Could we have an indication of time, are we talking about perhaps having the legislation before the House in the new year or are we talking about a much longer time.

HON M A FEETHAM:

No, we are talking about immediate action. We are talking about January/February. We have not yet decided about the Draughtsman. If it is a question of copying what exists elsewhere, we will not need an outside Draughtsman, the Attorney-General's Office is quite capable of doing it. It is a question of identifying exactly what is required and that is what we are working on at the moment.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

Will Government consider further increasing the resources of manpower and equipment available to the office of the Financial and Development Secretary, to allow the speeding up of the processing of applications for exempt companies and other consents required for finance sector activities?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Sir, presumably what the Hon Member is enquiring about is the staffing requirements of the Financial Sector Adviser's Office as distinct to the Financial and Development Secretary's own office requirements.

I am glad to say that it has been possible to give to that office a Higher Executive Officer which will free the Financial Sector Advisor and his Assistant from the more routine matters of the office which will enable them to devote themselves more to the production of new legislation and the formulation of policy.

However, this is only a temporary measure and does not rule out the possibility of further expansion. Much will depend on how things turn out in relation to the establishment of a regulatory authority under financial services legislation to which I have referred in answer to the previous question.

SUPPLEMENTARY TO QUESTION NO. 66 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, I am aware of the fact that there has been some increase in the manpower hence my wording of further increasing the staff. My concern is that the Financial and Development Secretary's office and the Financial Sector Adviser's office are painfully understaffed because of the breadth of matters they have to deal with and would the Minister not accept that unless the new regulatory frame is in place pretty soon that we cannot really go on for much longer and by longer I mean months with the amount of pressure on these departments being unabated by more manpower and resources being allocated to it.

HON M A FEETHAM:

Sir, I have already made it clear in my previous answer that we estimate introducing legislation in January or February. One cannot pre-empt something until we know what sort of supervisory functions will be required under the legislation. One would want to have a structure that

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takes into account what is expected from the legislation. We cannot work it out before unless we have the legislation in place. We already have an idea of what will be required and we are working towards that.

HON P C MONTEGRIFFO:

Mr Speaker, I am prepared to accept that. We have to wait until January, but I would have thought that it is possible to know what is going to be required because the areas of supervision that will have to be undertaken are quite clear but I would just hold till January or February and take the matter up again then.

MR SPEAKER:

Next question.

THE HON K B ANTHONY

What were the amounts outstanding as arrears in respect of bills issued for Electricity, Telephones, Water and Rates as at:-

- (a) 30 6 1988
(b) 30 9 1988

ANSWERTHE HON THE FINANCIAL & DEVELOPMENT SECRETARY

The amounts outstanding at the dates in question are:-

	<u>30 6 88</u>	<u>30 9 88</u>
	£'000	£'000
Electricity	£1199	£1197
Telephone	988	1017
Potable Water	933	999
General Rates	1176	911
	<u>£4296</u>	<u>£4124</u>
	=====	=====

SUPPLEMENTARY TO QUESTION NO. 67 OF 1988

HON K B ANTHONY:

Mr Speaker, I thank the Financial and Development Secretary. In answer to Question No.2 of 1988 I was informed by the Financial and Development Secretary that it was hoped to achieve an improvement over the course of the current Financial Year. In fact the figures have gone up since March of this year, not down.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Mr Speaker, they have in fact gone down marginally.

HON K B ANTHONY:

I have a total, Mr Speaker, at 31 3 88 - £3,895,000.....

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I beg the Honourable Member's pardon. Yes he is quite right. They have gone down since the 30 6 88, which was what I should have said. I do not think it is realistic to read very much into comparisons between two or three months. I appreciate that in answer to the Question in the last House of Assembly, I said that the Government expected to achieve an improvement over the course of the current Financial Year. We are in fact only half way through the current Financial Year and of course there are seasonal fluctuations in billing, which naturally

affects the amount outstanding and there is more growth in some services than others, for example, telephones which again affects the number of outstanding bills. I think it would be sensible to wait until one has figures for twelve months before reaching any conclusions as to whether the Government has reached its target.

HON K B ANTHONY:

I am grateful for that answer Mr Speaker. Is the Financial and Development Secretary satisfied that there will be an improvement after twelve months?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Well, I am never satisfied with any improvement, I am by nature a perfectionist but I certainly hope for an improvement.

HON CHIEF MINISTER:

Mr Speaker, may I perhaps add that, in fact, even the figures that we have announced just now for September, according to the analysis made by the Treasury shows an improvement if it is expressed as a percentage of the bills issued, which is an important factor. That is to say, if we sell twice as much electricity or twice as much water, we would expect that the arrears would be twice as high. In fact the growth in sales has been higher than the growth in arrears, so arrears are now down by about $1\frac{1}{2}$ points as a percentage of the volume of bills issued.

HON A J CANEPA:

Mr Speaker, what can the Financial and Development Secretary attribute to the relative increase in the position of arrears on rates. It stood up 1176 on the 30 6 88, and it has come down to 911 thousand. Has the Government adopted any particular measures in respect of rates?

HON CHIEF MINISTER:

If the Honourable Member will remember in the last House we re-introduced the penalty and this seems to have had some effect.

HON A J CANEPA:

That has had some effect. The penalty has not added to the amount outstanding?

HON M K FEATHERSTONE:

Will the Government consider the idea that has been mooted in the past, whereby discounts would be given if bills were paid within one month of their issue?

HON CHIEF MINISTER:

I think with the payment of rates, in particular, the effect is that if people pay on time they do not have to pay interest on the balance. Those who are in arrears have to pay interest on the balance. I think the position under the previous Government was that they introduced the penalty in the first place and then found out that people were neither paying the bill or the penalty, and all that was happening was that the bill was mounting up. I think that was the reason why they decided that the penalty was not achieving its objective and it was removed in 1987. We have re-introduced it and it seems to be having an effect. Maybe these things have a short-term effect and after a while the effect wears out, but we will monitor the situation. Obviously what we want to achieve is as high a collection as possible.

MR SPEAKER:

Next question.

ORAL

NO. 68 OF 1988

15 11 88

THE HON K B ANTHONY

Is the Attorney-General satisfied about the legality of the reimbursement of monies deducted from the workers at the electrical generating station, and telephone trunk operators, who were put off pay by the previous administration?

ANSWER

THE HON THE ATTORNEY-GENERAL

Yes, Sir, I am satisfied about the legality of such reimbursements.

MR SPEAKER:

Next question.

ORAL

NO. 69 OF 1988

15 11 88

THE HON G MASCARENHAS

Has the Government taken a decision to proceed with the planned extension to St Anne's Middle School?

ANSWER

THE HON THE MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

Mr Speaker, I propose to answer Questions 69 and 70 together.

This Government works to its own plans and priorities, not the unfinanced plans of the previous administration. These projects are still subject to the studies being conducted into both; schooling needs and sites for housing and for other purposes.

SUPPLEMENTARY TO QUESTIONS NOS. 69 AND 70 OF 1988

HON G MASCARENHAS;

Mr Speaker, can the Honourable Member say whether we are any nearer to having a decision on these projects?

HON J L MOSS:

I can assure the Honourable Member that we are in fact probably moving nearer towards having the projects completed and not in fact at the planning stage at which they were in the past.

MR SPEAKER:

Next question.

ORAL

NO. 70 OF 1988

15 11 88

THE HON G MASCARENHAS

Has the Government taken a decision to proceed with the planned construction of two new schools in the South District to replace St Joseph's First and St Joseph's Middle?

ANSWER

THE HON THE MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

Answered together with question No. 69.

ORAL

NO. 71 OF 1988

15 11 88

THE HON G MASCARENHAS

Will the Government state how many students are enrolled for 'A' level studies at present at both comprehensives and how does this compare to last year?

ANSWER

THE HON MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

The combined total for both Comprehensives last year was 151 and this year it has gone up to 185.

MR SPEAKER:

Next question.

THE HON G MASCARENHAS

Will Government state whether any scholarship has been awarded this year to any student to attend a private institution?

ANSWERTHE HON THE MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

Three scholarships have been awarded to students who are attending private institutions.

SUPPLEMENTARY TO QUESTION NO. 72 OF 1988

HON G MASCARENHAS:

Can the Honourable Member say at what cost each?

HON J L MOSS:

Mr Speaker, it is not at a higher cost than it would be if these students were attending a public institution because what happens basically is that these people are paid tuition fees up to an average, which at the moment stands at £536 per annum, and of course the maintenance grant is no different to what it would be whether they were attending a public or private institution.

HON G MASCARENHAS:

In other words, it is not costing the tax payer a penny more for these students to attend a private institution?

HON J L MOSS:

That is correct, Mr Speaker.

HON P C MONTEGRIFFO:

Does the EEC subsidy, because we understand that the EEC subsidies which Gibraltar students enjoy, as EEC nationals for those in public universities apply as well to private institutions?

HON J L MOSS:

No Mr Speaker, it does not apply but that does not necessarily mean that the cost is higher, because of course, not all the students who are going to public institutions are also getting their money reimbursed, or rather, we are not getting the money reimbursed for them.

HON P C MONTEGRIFFO:

Sorry, Mr Speaker I have not followed that, surely as a matter of entitlement would not every single Gibraltar student going to a public institution be entitled to reimbursements?

HON J L MOSS:

No, Mr Speaker. What happens for example to a student who has failed a year and has to repeat, is that the cost will no longer be reimbursed by the EEC. That will have to be met by the Gibraltar Government Scholarship Fund.

HON P C MONTEGRIFFO:

Fair enough, Sir. Then in an exceptional circumstance where obviously you have somebody repeating or changing course, presumably, in a situation like that the EEC subsidy may not cover it. But in a normal situation does studying in a private institution allow the Government to recoup that EEC subsidy? If not we are losing the EEC subsidy every time we send a student to a private institution.

HON J L MOSS:

Mr Speaker, I do not think the Honourable Member opposite has really got the drift of the argument, to be honest. These people are attending private institutions at the discretion of Government so it is not that we are committing ourselves to sending people to private institutions per se.

HON P C MONTEGRIFFO:

Sir, I am not denying that. Obviously Government has the prerogative to agree to fund a particular student, especially if he goes to a private institution. The point I am trying to clarify simply is, in the case of a private institution, if the fees are £5,000 per year and if in the case of public institutions part of this is recouped through an EEC subsidy or rather the cost is reduced, because of our EEC membership, in the case of a private institution I assume it is not. I am not making a big deal about it Sir. All I am saying, is if that is in fact the situation.

HON J L MOSS:

Let me try and explain. The point is that we are not talking about £5,000 as you have just quoted. We are talking about up to the average which is £536, and in most cases, in fact, in every case where this has been approved, for example, this year, the student concerned would not have been able to carry out this particular course in a public institution. So it is either send them to this particular private institution or keep them in Gibraltar.

HON P C MONTEGRIFFO:

I am grateful.

HON LT-COL E M BRITTO:

Mr Speaker, the original question was whether it had cost the Gibraltar taxpayer more or nothing at all. The answer was it had not cost the Gibraltar taxpayer anything at

all. If in fact the student had gone to a public institution the money would have been recovered from the EEC and therefore the cost would not have been to the taxpayer.

HON J L MOSS:

Mr Speaker, I cannot accept that argument because if I accept that argument from the Honourable Member, then what he is telling me is that we should not have sent these people to the UK. This is the minimum cost of sending.....

MR SPEAKER:

No, No, what is being said is, forget the principle of sending a student, that is perfectly alright. However is it costing more or is it not costing more.

HON G MASCARENHAS:

Sir, I asked that question earlier and the Honourable Minister told me categorically no, and that is why I shut up.

HON J L MOSS:

Mr Speaker, more than what?

HON G MASCARENHAS:

If he is now changing the answer, that is a different matter.

MR SPEAKER:

Financially.

HON G MASCARENHAS:

My concern is, is it costing the taxpayer more, full stop.

HON CHIEF MINISTER:

Mr Speaker, for one thing to cost more than another, there must be the choice. If there is a course that does not exist in a public institution, it cannot cost more in a private institution for that course because the course does not exist in the public institution. Clearly if we had a situation where the same courses were being offered by both and we chose to send people to a private instead of a public, we would be paying more than is necessary, but we are not doing that. We only send people to a private institution if there is no choice because there is not an alternative in the public one. Therefore it is not that we are sending them on a more expensive course than is necessary. We are sending them to the only course that is available.

HON LT-COL E M BRITTO:

Can I ask then, Mr Speaker, what criteria is being used to approve courses in private institutions?

HON J L MOSS:

Mr Speaker, the criteria has not in fact changed since March. It is exactly the same. I have already mentioned it in one of my previous answers, but I will repeat it and it is that the students concerned will only go to a private institution if such a course is not available in a public institution.

HON LT-COL E M BRITTO:

Is that the sole criteria, Mr Speaker?

HON J L MOSS:

Mr Speaker, that is the sole criteria as far as mandatory scholarships are concerned. Non-mandatory are discretionary as the Honourable Member well knows.

HON G MASCARENHAS:

Mr Speaker, can the Honourable Minister, in view of the explanation that the Chief Minister has given. Can the Honourable Minister give me the cost, the tuition fee cost for the year of these three courses individually. Is he able to do that now, or if not later.

HON J L MOSS:

Mr Speaker, I said that in an earlier answer, but again I will repeat it - £536.

MR SPEAKER:

Next question.

ORAL

NO. 73 OF 1988

15 11 88

THE HON G MASCARENHAS

Can Government state how many scholarships were awarded in 1988 and how this compares to 1987?

ANSWER

THE HON THE MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

Last year 60 scholarships were awarded, in contrast to 71 this year. These results were published in the local press. They show that the Government's policy on cancelling the points system has not opened the floodgates as the Opposition believed would happen.

MR SPEAKER:

Next question.

ORAL

NO. 74 OF 1988

15 11 88

THE HON G MASCARENHAS

Can Government state how many scholarships were awarded this year to non-school leavers ie persons not in the first or second year after leaving school?

ANSWER

THE HON THE MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

Nine, Sir.

MR SPEAKER:

Next question.

THE HON G MASCARENHAS

Will Government state how many students are enrolled today for courses in the College of Further Education, exclusive of evening classes, and how this compares to last year?

ANSWERTHE HON THE MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

The number of students enrolled this year is

full-time	121
part-time	158
link courses	201

Last years were

full-time	110
part-time	220
link courses	171

The most important figure here is full time courses where there has been a 10% increase.

SUPPLEMENTARY TO QUESTION NO. 75 OF 1988

HON G MASCARENHAS:

Mr Speaker, if I have understood the figures correctly, there has been quite a tremendous decrease in respect of part-timers.

HON J L MOSS:

I would hesitate to call it a tremendous decrease. There has been a decrease.

HON G MASCARENHAS:

Can the Honourable Member attribute that to any reason?

HON J L MOSS:

Mr Speaker, there does not seem to be any particular reason for that other than possibly that more people have stayed on at 6th form at school. That is the best answer I can give him.

HON G MASCARENHAS:

Yes, in answer to Question No.71 there was an increase of about 20% in the number of people staying on at school. That could be it.

MR SPEAKER:

Next question.

THE HON G MASCARENHAS

Is the Government satisfied with the manner that the cancellation of the Preparatory Course at the College of Further Education was carried out?

ANSWERTHE HON THE MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

Yes, Sir.

SUPPLEMENTARY TO QUESTION NO. 76 OF 1988

HON G MASCARENHAS:

The Honourable Member is then saying that he is satisfied that at short notice, twenty to thirty young people were told that the course that they had put their names down for was not going to start. Is he totally satisfied with that, with nothing being put in its place?

HON J L MOSS:

Mr Speaker, I certainly did not have complaints from twenty or thirty young students. If the Honourable Member had complaints at the time he should have informed me then.

HON G MASCARENHAS:

As the Honourable Member will recall, I wrote to him and he replied on the 30th September. Mr Speaker, the letter that I have here from the College of Further Education to the people concerned was undated. This letter was received at the very last moment and the students were not given any notice as such. I also believe that the Honourable Member did see some of the people concerned.

HON J L MOSS:

Mr Speaker, the students that the Honourable Member is talking about had not been enrolled. I sent him the letter which he has in front of him.....

HON G MASCARENHAS:

No, Mr Speaker. Mr Norman Santos wrote this letter.

HON J L MOSS:

I beg your pardon, Mr Speaker. I thought the Hon Member opposite meant the letter I had sent him. Frankly the way that the administrative side of things were done was entirely up to the College, but they were satisfied with the decision and they never complained to me, as a Minister, that the time-scale was very short.

HON G MASCARENHAS:

Mr Speaker, will the Minister confirm that the Principal of the College felt that the usefulness of running these courses was minimal?

HON J L MOSS:

Mr Speaker, I can confirm that and I assume that the Principal of the College will also be willing to confirm it to the Honourable Member.

HON G MASCARENHAS:

I am asking you. I cannot approach Civil Servants. I am asking him.

HON J L MOSS:

I confirm this.

MR SPEAKER:

Next question.

ORAL

NO. 77 OF 1988

15 11 88

THE HON G MASCARENHAS

Is Government considering introducing amending legislation with respect to the residential qualification for free Education?

ANSWER

THE HON THE MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

No, Sir.

MR SPEAKER:

Next question.

THE HON G MASCARENHAS

Is the Minister for Education satisfied that he should have the last word of who does and who does not attend school?

ANSWERTHE HON THE MINISTER FOR EDUCATION,
CULTURE & YOUTH AFFAIRS

Mr Speaker, the last word as to who does and does not attend school is held by the law which specifies compulsory school age. Within legal parameters I am as satisfied with this as I presume my Honourable predecessor was.

SUPPLEMENTARY TO QUESTION NO. 78 OF 1988

HON G MASCARENHAS:

Can the Honourable Minister then explain an incident earlier in September at St Paul's School in Varyl Begg where he had to intervene personally?

HON J L MOSS:

Mr Speaker, if it is the same incident which I am thinking of, it is a young girl who was admitted to St Paul's Nursery School before the right age and I decided that she should continue attending the nursery because the parents had been put to unnecessary expense because of an administrative fault at the Department of Education.

HON G MASCARENHAS:

So what the Minister is saying is that he has the last word overall.

MR SPEAKER:

No, no.

HON J L MOSS:

No Mr Speaker, that is not what I have said at all. That is a nursery not a school.

HON G MASCARENHAS:

I understand the Headmistress and the administration felt otherwise and yet the Minister intervened personally and resolved the situation.

HON J L MOSS:

Mr Speaker, I do not see if the Honourable Member opposite has objections to approaching the Principal of the College of Further Education, why he had no objection to approaching the Headmistress of St Paul's School. What had happened was that she froze the situation pending a decision from the Department, she did not say that the girl could not attend the nursery and I therefore did not contravene the decision.

MR SPEAKER:

Next question.

ORAL

NO. 79 OF 1988

15 11 88

THE HON DR R G VALARINO

When will Government resite both Government hostels and thus release land for future development?

ANSWER

THE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

As stated in answer to Question No. 9 of 1988, it is Government's intention to re-site both Government hostels. Whenever this is due to take place, an announcement will be made.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Will Government state what is the latest available figure for the number of Spanish nationals employed in Gibraltar?

ANSWERTHE HON THE MINISTER FOR LABOUR & SOCIAL SECURITY

Mr Speaker, according to work permits issued, the number of Spanish nationals employed in Gibraltar as at 4th November 1988 was 977 plus 76 Short Term Contracts.

SUPPLEMENTARY TO QUESTION NO. 80 OF 1988

HON P C MONTEGRIFFO:

Can I ask whether the Government intends to see a significant increase in the number of Spanish nationals working in Gibraltar as a result of the development plan that it is pursuing?

HON R MOR:

Well, Mr Speaker, I think it is very difficult at this time to really foresee whether there is going to be a higher number or not.

HON P C MONTEGRIFFO:

Sir, is it not possible to predict labour requirements in line with the proposed developments and it is obvious that unless we import labour, development is going to be restrained.

HON R MOR:

Yes Mr Speaker. We can see that but at the same time that new developments are coming on stream others are obviously being finalised, so it could be that the situation remains stable.

HON P C MONTEGRIFFO:

So there may not necessarily be an increase in.....

MR SPEAKER:

It is always difficult to ask people to predict anything. Next question.

THE HON DR R G VALARINO

Will Government state what is the present number of unemployed Gibraltarians?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, a number of steps have been taken by Government in order to produce a more accurate reflection of unemployed Gibraltarians than was the case previously, given the manner in which these figures were compiled. This has been achieved by registering individuals, who though unemployed, were not receiving benefits and were previously excluded. There are 19 individuals in this category. In addition, there are 68 persons between the ages of 60 to 65 who are being given social insurance credits and are now required to register in order to qualify for these credits.

Additionally, there are 110 juveniles registered with the Youth and Careers Office which is the seasonal reflection of those entering the labour market for the first time. This figure will be declining as new training schemes are brought into stream.

The number of unemployed adult Gibraltarians in receipt of benefits totals 203. As an indication of the trend of unemployment, the comparable figure for this category recorded on 30 March 1988, was 225. The drop of 22 in the number of unemployed adult Gibraltarians is evidence of the success so far of finding jobs for some individuals previously considered as 'unemployables' by the last administration.

The total of all these different groups adds up to exactly 400 as at 30 October 1988.

SUPPLEMENTARY TO QUESTION NO. 81 OF 1988

HON A J CANEPA:

Is the Honourable Minister aware that in the previous administration, the Minister did not classify anybody as unemployable? That that was a function of the administration, of the staff in the Employment Office of his department and not the Minister's.

HON R MOR:

Mr Speaker, if the Honourable Member will allow me to quote from the Hansard. I am quoting Mr Featherstone, Mr Speaker.

MR SPEAKER:

Which Hansard are we talking about?

HON R MOR:

This is the Hansard of the Questions and Answers of 29 April, 1988, and I am quoting from Page 4, Question No.9 in the Supplementary, Mr Featherstone is quoted as following "Mr Speaker that these 300 unemployed persons include those persons who would normally be termed as unemployables". So in fact, Mr Speaker, the previous administration did consider that there were people who were unemployable.

HON A J CANEPA:

That is an administrative matter, Mr Speaker, that is not a political matter. It is not as a result of a policy decision taken by the previous administration. It is the people employed in the department who classify who is regarded by them, having regard to the experience that they have in trying to obtain jobs for people, who is unemployable and who is not.

HON CHIEF MINISTER:

Mr Speaker, surely the Honourable Leader of the Opposition accepts that the only thing that has changed is that there is now a different Government in office and the same people are in the same department. However, this Government does not accept the advice of the Civil Servants that these people are unemployable, and in fact insists that they be found jobs and is succeeding. Whereas the previous Government defended politically, in this House, their record of unemployment on the basis determined by the Civil Servants that nothing could be done because these people were unemployable. Some of them are employed now, not all of them have turned out to be 100% satisfactory, but quite a lot of people have been surprised, after employing them, and finding that they are better than they were assumed to be.

HON A J CANEPA:

Does the Honourable Chief Minister accept that the improvement in the economy and the availability of jobs is also a factor in determining who can be employed and who cannot be employed.

HON CHIEF MINISTER:

No, Mr Speaker, we are not saying that there has been a dramatic growth in the number of jobs since we took office, because in fact last year, as the Question to my colleague on GSL demonstrates, there were more jobs in the commercial dockyard than there are this year. What has happened is, that politically, a direction has been issued that people should not be ignored in the labour market simply because there have already been branded as unemployable. So it is not true to say that there are more jobs now than there were six months ago. We are confident that there will be more in a year's time, but this is not the case yet.

HON DR R G VALARINO:

Mr Speaker, on the question of credits that the Honourable Minister mentioned, these Credits, if I am right, are given to those persons who are totally incapable of work. I find it hard to follow his thinking, because he adds this number to the total number of other unemployed Gibraltarians and thus getting a higher figure.

HON R MOR:

Mr Speaker, I think that the Honourable Member is absolutely mistaken when he refers that these people are incapable of work. The new rules that apply is that anyone over 60 who is unemployed, by registering as unemployed, can claim the Credit on Social Security.

HON DR R G VALARINO:

Thank you. But it does not differentiate between those people who are totally incapable of work or not. That figure is not included.

HON R MOR:

No Sir.

HON LT-COL E M BRITTO:

Mr Speaker, purely on an administrative detail in the registering for this system of credits. Is the Minister aware that because of their age or because of the type of people concerned, some are suffering considerable inconvenience by having to register on a weekly basis and would he consider changing the system so that those, for example, who are prepared to receive the credits on a monthly basis may go a month retrospectively in order to avoid having to queue up in the considerable queues on a weekly basis?

HON R MOR:

No Sir, the Government is not prepared to consider that. We can appreciate the problems that are faced when you have an overcrowded counter and have to queue up. We make arrangements, so that if they call on a particular day, they will find that there is not much of a queue and they can therefore be attended much quicker.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Will Government state whether they are now paying pensioners residing out of Gibraltar on a monthly basis?

ANSWERTHE HON THE MINISTER FOR LABOUR & SOCIAL SECURITY

Everything is now ready to pay pensions on a monthly basis. Unfortunately implementation of the scheme has not been possible because all the resources of the department have had to be diverted to the preparation of back-up data for the negotiations with the British Government on the issue of Spanish pensions. It is Government's intention to put the new scheme into effect as soon as possible.

SUPPLEMENTARY TO QUESTION NO. 82 OF 1988

HON DR R G VALARINO:

Mr Speaker, considering that in April 1988 to quote the Honourable Mr Mor. He said "it is my intention to start paying Gibraltarian pensioners residing abroad very soon". I hope that what he has said does come true. I shall follow the question up in subsequent meetings of the House.

HON R MOR:

Mr Speaker, I hope so too.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Sir, can Government explain how, in the light of the proposed restructuring of the social security arrangements in Gibraltar, it proposes to deal with those senior citizens who are not presently included within our Social Insurance system?

ANSWERTHE HON THE MINISTER FOR LABOUR & SOCIAL SECURITY

Mr Speaker, Government is very conscious of the great injustice that was done by the previous administration to those Senior Citizens left outside the Social Insurance system and has given a commitment that they will work to rectifying this position.

Once a decision is taken on the restructuring of the Social Security system, in the light of the on-going negotiations with Her Majesty's Government, the situation of these Senior Citizens will be taken into account.

SUPPLEMENTARY TO QUESTION NO. 83 OF 1988

HON DR R G VALARINO:

Mr Speaker, when does he expect a definite answer can be given to us. Has he any idea?

HON R MOR:

Mr Speaker, as the Honourable Member must be aware, everything is dependent on the negotiations with the British Government.

HON P C MONTEGRIFFO:

Mr Speaker, in the event of the negotiations not ending in a final solution, although we understand.....

MR SPEAKER:

That is hypothetical is it not, but anyway we will see what the Minister has to say.

HON P C MONTEGRIFFO:

Will we be able to have restructuring and therefore a provision for these pensioners, notwithstanding any type of agreement that may be arrived at, whether it be final or not and whether it will be in a week's time or a month's time or whatever?

HON CHIEF MINISTER:

Mr Speaker, the position is that as has already been said publicly, the Social Insurance system, as it is now, is in trouble and therefore I said, I think it was at the

time of the Budget, that the present system might not survive. The nature of what replaces the present system is determined to some extent by the nature of any agreement that may or may not be made on Friday when I meet Mrs Chalker. Our commitment is and has always been to take care in some form or another of this group of people. How we do it we cannot say at the moment.

HON A J CANEPA:

Is the Chief Minister able to say whether the arrangements that we have in Gibraltar for this group of senior citizens who were excluded from the Social Insurance system in the past for historical reasons. How the arrangements that we have, the payments that we are making to them, the level of benefits, how does it compare with persons in a similar category in the United Kingdom. Very elderly persons who were also excluded from the scheme in the United Kingdom. Are they more favourable for instance?

HON CHIEF MINISTER:

Well, I assume that we are talking here really about the group that are primarily getting E.P.A. There is not an equivalent in UK for that.

HON A J CANEPA:

Yes we are talking about that group.

HON CHIEF MINISTER:

There is not an equivalent comparable situation in the UK, they would be getting means tested supplementary benefits.

HON A J CANEPA:

There is not because we have lowered the age of entitlement for them to 65, but there used to be a category in the UK who were in receipt of old persons pensions who were over eighty. We started our scheme at 75 and we lowered it progressively to 65.

HON CHIEF MINISTER:

The comparable group in Gibraltar would be those who were formerly on retirement pensions.

HON A J CANEPA:

I am asking this, Mr Speaker, because I am concerned that in trying to come to an agreement with the British Government, the British Government might not view any measures which the Government of Gibraltar may wish to take in respect of these people, that could turn out to be more favourable than the treatment being given to a similar category in the UK. What would be the attitude of the Gibraltar Government?

HON CHIEF MINISTER:

That is not a matter for discussion between us and the British Government. That is a purely domestic matter. The only thing that we are discussing with the British Government is how much they propose to pay for Spanish pensioners. We will then adjust our system in the light of those implications, but we will decide here what to do, with our money.

HON A J CANEPA:

I am grateful for that answer.

HON P C MONTEGRIFFO:

Mr Speaker, irrespective of the outcome of the agreement with the British Government, will the arrangements made for these senior citizens be on the basis of a means test as well, as indicated in the press recently or will they be treated separately other than by means testing.

HON CHIEF MINISTER:

Mr Speaker, we are not prepared to give any further information of how we propose to deal with something, which as I have already said, depends on the outcome of negotiations. What we do and how we do it and when we do it is at this stage something we are not prepared to say.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Sir, will Government allow Gibraltarians who have been at some time unable to contribute to the Social Insurance Fund to make retrospective payments to the Fund in order to enable them to acquire full pension rights or, in the case of our present Social Security system being replaced, undertake that such contributors will be allowed to make such retrospective payments in order to enable them to acquire the full benefits under any such system?

ANSWERTHE HON THE MINISTER FOR LABOUR & SOCIAL SECURITY

Sir, I would refer the Honourable Member to his reply to my question No.189 of 1987 on the same matter in which he pointed out the repercussions and implications of allowing retrospective payments of Social Insurance Contributions.

The Hon Member did, in fact, state at the time that there was no justification for providing any further options. However, this Government, is prepared to undertake a detailed study of this complex matter, in the interest of those contributors concerned, once a decision is taken on the re-structuring of the Social Security system.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Sir, will Government undertake, in the light of the proposed restructuring of Social Security arrangements in Gibraltar to make provisions as regards divorced women so as to ensure that a woman whose marriage has been terminated otherwise than by the death of her husband and who is under pensionable age on the date of that termination of marriage, reserves the right to claim an old age pension on her ex-husband's insurance record, based on the contributions made by him prior to the date of the termination of the marriage?

ANSWERTHE HON MINISTER FOR LABOUR & SOCIAL SECURITY

This is one case which the Government has already been looking at with the view to rectifying the position as it exists at present. However, no action can be taken in changing the Social Security Scheme until the Government is in a position to proceed on the restructuring of the Social Security System which is contingent on the outcome of the negotiations with Her Majesty's Government.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Can Government explain the present position regarding the payment of Social Insurance contributions by persons employed in ships registered in Gibraltar and the amount that has been collected in contributions in the last six months?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Mr Speaker, the present position as regards the payment of Social Insurance Contributions by persons employed on ships registered in Gibraltar is the same as was introduced by the Hon Questioner himself in October 1987 when he was Minister for Labour and Social Security.

As the Hon Member should know, it is not possible to state the amount that has been collected in contributions in the last six months since all insurance cards are not returned until the end of the year.

SUPPLEMENTARY TO QUESTION NO. 86 OF 1988

HON A J CANEPA:

Does that mean that it has been impossible for the Department to monitor, to follow up the collection of contributions and that they are therefore not in a position to do so until early 1989?

HON R MOR:

Mr Speaker, the position in fact is that when I took up office I found that there were a lot of arrears by local employers who had not contributed to social security. We are actively pursuing these cases.

HON A J CANEPA:

But is it not the position, Mr Speaker, that in 1989, when the time comes to exchange cards, the exchange of cards will be in respect of new cards being issued for 1989 and insurance cards for 1988 being handed in. That is a separate issue altogether to the requirement of payment of arrears, and I would imagine therefore that the Department should be pursuing the two matters in parallel. Is that the case?

HON R MOR:

No, Mr Speaker.

HON DR R G VALARINO:

Mr Speaker, do I understand then correctly, that these seamen will be entitled to benefits without any idea of the contributions that they are paying at the moment?

HON R MOR:

No Sir, they will not be entitled to benefits.

HON A J CANEPA:

Will the Minister confirm that due to lack of resources or because the existing resources are engaged on other matters, the Department is not able to pursue this issue satisfactorily? I am sure that the Minister will agree having regard to the vehemence with which he pressed this issue on this side of the House, he would have liked to have seen better results than have in fact been possible. Does he accept that?

HON CHIEF MINISTER:

Mr Speaker, the position is that there are many employers, whom we discovered to our astonishment, who were not paying the Social Insurance contributions, to the Department, which they had collected from their employees. When we were expressing so much vehemence on the other side, we assumed that it was the ship owners, of ships outside our jurisdiction, who were getting away with this. We have found that there are people, on our doorstep, and at the moment we are giving priority to chasing the employers in Gibraltar before we start chasing the seafarers who are away from our shores. However in answer to the point made by the Honourable Member opposite as to whether such seafarers could claim benefit without any notion of their contributions. The answer is no. If anybody came here to claim benefits, he would have to produce evidence of his contribution record.

HON A J CANEPA:

In the light of the statement made by the Chief Minister, is the Government giving any consideration to strengthening the resources of the Department? I know that most Departments are frozen, but I would imagine that this is an important area. If there are many employers in Gibraltar who are neglecting to pay contributions, it is a very serious matter, and I would imagine that the Government would agree to strengthen the resources of the Department.

HON CHIEF MINISTER:

Mr Speaker, the situation is that the Department itself will have to be seen in the light of the Government's intention to set up the Gibraltar Training and Employment Board and that may well mean that very shortly when that Board is established, some reduction in the workload in other areas will release resources within the Department. What we would not want to do, is to agree to an increase, which as the Honourable Member opposite knows, once agreed to is something which is extremely difficult to decrease afterwards.

HON DR R G VALARINO:

Mr Speaker, I think that if the Honourable the Chief Minister will look at the relevant legislation, he will find that the last thing he has said is not quite accurate. These seamen are entitled to benefits. They are certainly not prejudiced by the failure of the employer to pay the contributions. That is the law.

MR SPEAKER:

The law is easily accessible to everyone. Has the Honourable and Learned the Attorney General got the Ordinance with him?

HON CHIEF MINISTER:

I think, Mr Speaker, the law says, certainly in respect of local employees, that if an employer having deducted social insurance contributions from his employees does not pay to the Governemnt he is not prejudiced. What I am saying is that the employees still have to produce evidence that he has paid the contributions, even if the employer has pocketed the money. We have got in fact, as I have already mentioned, employers who having collected contributions as far back as 1985, from their employees, still have not paid them to the Department in 1988. An astonishing situation which we discovered when we took office, which perhaps the Honourable Member was not aware when he was there. Now clearly, we are trying to put that right. But anyone of those employees, if we find that their employer has gone bankrupt or whatever and we cannot recover the money, it would not prejudice the benefits because the employee has already paid for those benefits. The seaman has to satisfy the authority that he has paid the employer even if the employer has kept the money.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

What are Government's plans for replacement of the present Saint Bernadette's Occupational Therapy Centre by a new purpose-built centre in another suitable location?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Mr Speaker, the proposal for the replacement of the St Bernadette's Occupational Therapy Centre was mentioned by the previous administration as part of its development programme but no funds were included in the Improvement and Development Fund for the current financial year prior to the election. The Government, however, feels that this project should be given priority and that an early start should be made and wishes to include it in the Budget for 1989. To this end the Government is currently holding consultation with developers and the Gibraltar Society for the Handicapped with a view to agreeing the best way to proceed with this matter.

SUPPLEMENTARY TO QUESTION NO. 87 OF 1988

HON DR R G VALARINO:

Mr Speaker, when will St Bernadette's become an all year round therapy centre as envisaged when it was taken over by the Department of Labour and Social Security and not run on educational lines?

HON R MOR:

Mr Speaker, this is a matter which the Government has not considered fully because at the moment the present building is not good enough and obviously it is dependent on a new building, once this has been done consideration would have to be given to all year use.

HON DR R G VALARINO:

Will the Honourable Member confirm that it is the building not the staff which prevents this?

HON R MOR:

As far as I am aware, Mr Speaker I am not aware of any staff problems on this particular issue.

HON A J CANEPA:

Mr Speaker, the Honourable Mr Feetham has not said anything about the location for the new Occupational Therapy Centre.

In view of the fact that the Government intends to make provision in next year's Estimates, and I would expect them to be working on the Estimates before very long, is this not conditional on a site?

HON M A FEETHAM:

Mr Speaker, I have not said so, because we have not decided, but we are obviously looking at various possibilities.

HON A J CANEPA:

We were at an advanced stage on this one, Mr Speaker. A site had definitely been agreed on at the childrens' amusement playground at Smith Dorrien Avenue. We would have had no difficulty putting money into this, had we been in Government.

HON M A FEETHAM:

We are looking at that as one of the alternatives.

HON A J CANEPA:

I would be grateful if the Minister could give us information as soon as a decision is taken.

HON M A FEETHAM:

Yes, no problem, Mr Speaker.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Sir, can Government confirm what systems it intends to introduce in order to aid the taking care and looking after of disabled and handicapped persons at home?

ANSWERTHE HON THE MINISTER FOR LABOUR & SOCIAL SECURITY

Mr Speaker, the thinking of the Government is in line with the emphasis placed by the Medical Review Team on community care.

One of the advantages in providing a community service would be the release of pressure on overcrowding in our hospital if, when this occurred, patients could be sent home and continue to be treated by district nurses until their eventual recovery. In this respect, what could place limitations on this procedure would be the overcrowded or sub-standard conditions of the patients' home.

Other areas, which include the looking after of the disabled and handicapped, are expected to be improved within our policy on community care and no doubt my Hon colleague, the Minister for Medical Services, will be providing details when the review of these community services is completed.

MR. SPEAKER:

Next question.

ORAL

NO. 89 OF 1988

15 11 88

THE HON LT-COL E M BRITTO

Will the Minister for Sport disclose details of the financial support given to Sports Associations and individuals in the current financial year?

ANSWER

This Question was answered together with Question No. 94 of 1988.

ORAL

NO. 90 OF 1988

15 11 88

THE HON LT-COL E M BRITTO

What is Government's policy in relation to financial support for Associations and individuals participating in sporting events away from Gibraltar?

ANSWER

This Question was answered together with Question No. 94 of 1988.

THE HON LT-COL E M BRITTO

Is the Minister for Sport now in a position to estimate the total cost of underwriting Gibraltar's participation in the 1989 Island Games?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES & SPORT

No Mr Speaker. The position remains exactly the same as explained in my answer to the Hon Members Question No. 23 of 1988. The Gibraltar Island Games Association, themselves, have confirmed to me that they are yet not able to quantify it, as they are still actively pursuing fund-raising events and trying to procure assistance from the private sector. Nevertheless, I am in close liaison with the Association and I have reiterated my Government's commitment.

SUPPLEMENTARY TO QUESTION NO. 91 OF 1988

HON LT-COL E M BRITTO:

I thank the Minister for that answer which is in line with what she has told me previously. Has she any idea when the Government's commitment will be known?

HON MISS M I MONTEGRIFFO:

Mr Speaker, it all depends on the Associations approaching us and what their estimate is when they approach us.

HON LT-COL E M BRITTO:

Is the Government's commitment to this a one-off for 1989, or is it an on-going commitment for all Island Games?

HON MISS M I MONTEGRIFFO:

Mr Speaker, that is hypothetical and is dependent on the advice of the Gibraltar Sport Advisory Body, but I can assure the Member that whenever the Gibraltar flag has to fly anywhere in the world and we believe that Gibraltar should be represented, the Gibraltar Government will be very sympathetic.

MR SPEAKER:

Next question.

NO. 92 OF 1988

THE HON LT-COL E M BRITTO

Will Government explain the continuing delay in the installation of an artificial playing surface at Victoria Stadium?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES & SPORT

Mr Speaker, I do not accept that there has been any delay at all, certainly not since this Government took up office, in the installation of artificial playing surfaces at the Victoria Stadium. In fact, the previous Government had only reached the stage of asking for details, after an approach had been made to them in early 1987.

My Government has energetically been negotiating an agreement through which artificial surfaces could be provided for the main ground and the athletic track at the Stadium, to the extent that I can assure the Hon Member that both myself, the Attorney General, and the Sports Manager, have been meeting every week, often, on more than one occasion during the week.

The negotiations which are of a commercial nature, include such things as the preparation of legal documents, technical specifications, etc, and have been progressing satisfactorily.

As I have stated publicly, I am not prepared to enter into a hasty agreement to the detriment of sport generally.

Once the agreement is signed, I will honour my commitment to make a public statement on the matter.

SUPPLEMENTARY TO QUESTION NO. 92 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, the point of my question on continuing delay is based on the fact that as far back as early summer and even further back than that, indications were given by the Honourable Minister, even by the Honourable the Chief Minister, that the installations were on the point of being done, to the extent that the cricket season was affected, because it seemed to be an on-going situation of a day to day basis we are going to do it next week. At one stage dates were being quoted in mid August publicly by the Sport Association, and therefore it would seem that there is a reason that is delaying the process and my question is, can the Minister, is it possible for the Minister to tell us what the reason for that delay in the negotiating process is?

HON MISS M I MONTEGRIFFO:

Yes, I think I have already answered that in my answer. That if there is a clause within the agreement which I find is detrimental to sport generally, I will definitely not sign an agreement to the detriment of sport in Gibraltar. Therefore at the end of the day, it is up to the people of Gibraltar to determine, once I have reached the agreement and I make a public statement, whether my decision was the correct one.

HON LT-COL E M BRITTO:

I accept entirely that the Minister should obtain the best possible position for Gibraltar and for sportsmen in general. She has indicated that there is a part of the agreement that would be to the detriment of sport or to Gibraltar. Can she give us an indication.....

MR SPEAKER:

No, no. She is not prepared to enter into an agreement which might be detrimental. She is therefore being careful, before she signs the agreement, to make sure that it is the kind of agreement that the Government feels is right. I am just explaining what everyone has just heard in the House.

HON LT-COL E M BRITTO:

I obviously misunderstood a word. May I then rephrase my question which is - Can we have an indication of what is it that has taken six or seven months to overcome?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker, because at the moment what we are talking about is an agreement which is of a commercial nature and I cannot divulge any information. What I am doing at the moment is a commitment to sport generally, as I have said before in my original answer and if I were to divulge any information to the Honourable Member, it could prejudice the negotiations.

HON LT-COL E M BRITTO:

If that is so, I accept it. I trust the Minister understands that I have the best interest of sport at heart and I am looking for the best possible solution. I am also reflecting the disquiet, no stronger than that, from the sportsmen and sportswomen generally who want to know whether next season will be affected, just as the football season was going to be affected and the cricket was affected. People want to know what is happening and that is why I am pressing.

HON MISS M I MONTEGRIFFO:

And that is why, in my answer, Mr Speaker, I have said that, as Minister for Sport, it is difficult to divulge

a negotiation which is being carried out on a commercial basis. I am prepared to stand publicly and defend the negotiation and at the end of the day it will be up to the people of Gibraltar and sports people generally to decide whether the manner in which I have conducted the negotiations have been to the detriment or to the benefit of sport.

MR SPEAKER:

You have complimented each other to a certain extent and we have gone beyond the realms of information.

HON LT-COL E M BRITTO;

Can I go past the compliments and ask one final question Mr Speaker.

MR SPEAKER:

If it is a question yes.

HON LT-COL E M BRITTO:

Is there a possibility of an impasse being reached and an agreement not coming to fruition?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker, it is very difficult to judge that, but what I can tell the Honourable Member, as I have said before, that when the negotiations are completed and whatever the results are, I will stand by them and it will be up to the people of Gibraltar to decide whether I have taken the right decision.

MR SPEAKER:

Next question.

THE HON LT-COL E M BRITTO

Will the Minister for Sport say what has been the financial saving to date of leaving vacant the post of Victoria Stadium Supervisor?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES & SPORT

Mr Speaker, Government has not left vacant one of the three posts of Sports Centre Supervisor at the Victoria Stadium. A vacancy arose due to a retirement on 11 August 1988 and it is envisaged that this post will be filled shortly since applications have already been invited and received. Since this date the shift duties of this post have been covered, on overtime, by the two other Supervisors with no significant saving to Government.

SUPPLEMENTARY TO QUESTION NO. 93 OF 1988

HON LT-COL E M BRITTO:

So it is Government's intention to fill the post relatively quickly?

HON MISS M I MONTEGRIFFO:

Yes, I have just said so in my answer, Mr Speaker.

HON LT-COL E M BRITTO:

Is the Minister aware of the low state of morale of the people at the Stadium as a result of having to stand in and fill in the vacant post. As well as the excessive number of overtime hours which are having to be worked, together with the inability of the men to take leave.

HON MISS M I MONTEGRIFFO:

No, Mr Speaker. What I have said in my answer is that the post has not been left vacant and there is already a decision to fill that post.

HON J C PEREZ:

Mr Speaker, if I may add, my colleague has just said that the post was advertised sometime ago and that applications have already been received and that the appointment is to be made shortly.

HON LT-COL E M BRITTO:

Mr Speaker, it is only now that we have been told that the post was advertised sometime ago.

HON MISS M I MONTEGRIFFO:

I said so in my answer, Mr Speaker.

THE HON LT-COL E M BRITTO

Is the Minister for Sport now in a position to make a statement of Policy on the new arrangements she intends to make for the management of all matters related to sport?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES & SPORT

Mr Speaker, I propose to answer Questions 89, 90 and 94 together. Government has now established the Gibraltar Sports Advisory Body and an official notice to this effect is in the process of being published in the Gibraltar Gazette. Its terms of reference are to advise the Government on any matters related to Sport and to consider and advise me on applications for financial assistance from sporting organisations for specific commitments only be they locally or abroad.

Administrative matters related to Sport will be channelled through the Sports Manager who is directly responsible to me.

Government has provided £40,000 for financial assistance to sporting bodies for the current financial year. In fact to-date, all applications so far received have been accepted and grants have been directly allocated by Government as follows:

- (i) Gibraltar Volleyball Association, £1500 (European Small Nations Championships)
- (ii) Grammarians H.C. £3000 (European Hockey Cup 'B' Division Finals)
- (iii) Gibraltar Amateur Swimming Association, £550 (European Junior Championships)
- (iv) Gibraltar Table Soccer Association, £275 (European Championships)

A notice will be published shortly inviting applications for financial assistance from sporting organisations to be considered by the Gibraltar Sports Advisory Body.

SUPPLEMENTARY TO QUESTIONS NOS. 89, 90 AND 94 OF 1988

HON LT-COL E M BRITTO:

Will the Minister say who gave consideration to these applications, was it direct Ministerial approval or how were these grants approved?

HON MISS M I MONTEGRIFFO:

Mr Speaker, they were considered by Council of Ministers but before we arrived at a decision, we actually looked into the cash request and found that the requests were substantiated by evidence.

HON LT-COL E M BRITTO:

Have there been any public adverts or any notification asking for grants from sporting bodies so far this year?

HON MISS M I MONTEGRIFFO:

No, all applications so far have been approved by the Government as I said in my original question.

HON LT-COL E M BRITTO:

Mr Speaker, that does not answer my question.

MR SPEAKER:

No, you have been asked whether there have been any public advertisements inviting sporting bodies to seek grants.

HON MISS M I MONTEGRIFFO:

No, as I said in my answer, Mr Speaker, now that the Advisory Body has now been established, we will now invite applications from sporting organisations.

HON LT-COL E M BRITTO:

What I am asking and I think the Minister has confirmed it is that so far this year no adverts have been placed. It is just the people in the know who have applied, but in future the adverts will be placed.

HON MISS M I MONTEGRIFFO:

Yes, that is my answer.

HON LT-COL E M BRITTO:

Is there any system of control envisaged on expenditure subsequent to the grants being made.

HON MISS M I MONTEGRIFFO:

No, Mr Speaker, as I have said the Sports Advisory Body will advise the Minister.

HON LT-COL E M BRITTO:

Sorry, Mr Speaker, that does not answer the question. I am saying once the Advisory Body has advised and the grant has been made, is it Government's intention to, in the terms of reference to the Advisory Body, to have any system of control to ensure that the expenditure is in line with the application, subsequent to the grants being made.

MR SPEAKER:

Will you have a system, whereby you can monitor the assistance being given to clubs.

HON MISS M I MONTEGRIFFO:

It depends, Mr Speaker, what we are being told and what the submission being made by the association is, and that will be taken into account by the Sport Advisory Body.

HON LT-COL E M BRITTO:

So the answer is yes. That it is intended to have a system of control.

HON MISS M I MONTEGRIFFO:

Yes.

HON LT-COL E M BRITTO:

Is the Minister now in a position to tell us the composition of the Gibraltar Sports Advisory Body?

HON MISS M I MONTEGRIFFO:

It will be published on Thursday, Mr Speaker. I can give the Hon Member the names.

HON LT-COL E M BRITTO:

I will welcome that if she is able to do so.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the composition is:- the Sports Manager, Mr M Rocca, Mr J M Reyes, Mr J C Goncalves, Mr A Avellano, Mr A Chappory, Mr L Lopez and Mrs M L Benson.

HON LT-COL E M BRITTO:

Can I ask the Minister what criteria was used in choosing the composition of this Body?

HON MISS M I MONTEGRIFFO:

Yes, the criteria used was one in which the Government sought the opinion of individuals in the sporting field and asked for advice on the people who were most capable of helping the Government on matters related to sport.

HON LT-COL E M BRITTO;

Does the Minister not envisage a danger with all these personalities being so directly involved in associations and there being no independent members of the possibility of bias arising in any advice being given?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker, I do not accept the allegation by the Honourable Member, this is something which has never happened before and is something which we feel will help the sporting scene in Gibraltar. These persons will be

advising the Government and the Government will hear them out and we believe they will help in the long-term and in the short-term to improve sporting matters in Gibraltar.

HON LT-COL E M BRITTO:

Mr Speaker, it was not an allegation, it was a question. Can I also ask the Minister whether she has considered in order to avoid problems that have arisen in the past in a similar sporting body, that was functioning in the past, whether she has appointed these persons in an individual capacity or in their capacity as Presidents or whatever of their Associations. Also what provision there is for changing the composition in the event of any given person ceasing to represent the views of the Association which he represents?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker, I think I have answered that question already adequately. Before we arrived at a decision, we contacted the Associations for the names of people involved in sport and the composition reflects that advice.

MR SPEAKER:

What you are being asked is whether the appointment of these people to the Advisory Committee is an appointment which will last during the term of their office in their particular association? Or is it a personal appointment?

HON MISS M I MONTEGRIFFO:

It is a personal appointment, Mr Speaker.

HON LT-COL E M BRITTO:

So these persons are not necessarily representing the views of the Associations they represent?

HON M I MONTEGRIFFO:

No, Mr Speaker, as I have said before, they are representing sport generally.

HON LT-COL E M BRITTO:

The point that I am trying to make, Mr Speaker.....

MR SPEAKER:

No, I think you have been given the answer. The answer is that whilst the criteria has been the fact that these gentlemen are involved in Associations, their appointment to the Advisory Committee is a personal appointment and will not cease on their ceasing to be a member of an organisation.

HON LT-COL E M BRITTO:

Yes that is precisely the question that I was trying to ask the Minister whether she was going to make provision for change because the situation to my knowledge that arose in the past was that persons were appointed to the Sports Council or to the Sports Committee, whatever it may have been, either in a personal capacity or representing an Association but a situation arose, and arose more than once, where a particular person ceased to become connected with the Association and ceased to become connected in awkward circumstances, but remained as a member of the Sports Body. Under such circumstances that particular person, who has had shall we say a dispute with his own Association, is not necessarily the best person to be on the Sports Advisory Body. What I am asking the Minister is whether she would make provision.....

HON MISS M I MONTEGRIFFO:

Mr Speaker, if anything like that were to happen, the Government will review the situation.

HON LT-COL E M BRITTO:

On the question of policy in relation to financial support for Associations and individuals, I notice that the four grants that have been made so far this year are all for participation at European level. Is this Government policy to maintain it at that level or will participation at lower level away from Gibraltar be subsidised as well?

HON MISS M I MONTEGRIFFO:

Well, Mr Speaker, as I have said before, the Government has now done something which has never happened before and that is to establish the Sports Advisory Body and anything that is related to sport will first be put to the Sport Advisory Body for their advice and the Government will be in a better position to decide with the benefit of the experts.

HON G MASCARENHAS:

Will the Honourable Minister confirm that nothing has changed from the previous administration, that it is the same Body with a different name.....

MR SPEAKER:

What do you mean by nothing.....

HON MISS M I MONTEGRIFFO:

Mr Speaker, if I am able to answer that.

MR SPEAKER:

We have to be careful we do not want to get into a political

6.

argument. You can quite rightly ask but it is no use saying nothing has changed, because then it covers a tremendous spectrum. Next question.

THE HON M K FEATHERSTONE

Sir, has the black dust emanating from Gib Shiprepair now been analysed and if so with what result?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the black dust in question was analysed locally and the presence of lead was detected. This presence could not be accurately quantified due to the laboratory not being equipped with costly specialised equipment. As a result, samples of the dust, together with dust from other sites in Gibraltar, in order to obtain as balanced a picture as possible, have been sent to the Department of Trade and Industry Chemical Services Laboratory at Warren Spring, where this type of investigation is routinely undertaken, but their results have not yet been received.

2. Since lead in the environment has to be assessed as an annual mean, the Government has made arrangements for a total of eight samples to be collected and analysed over a period of twelve months at the end of which we will be in a better position to assess the environmental impact of the dust.

3. In the meantime and pending the results of the special analysis, GSL have taken a series of measures to reduce the nuisance to the inhabitants of the neighbourhood.

SUPPLEMENTARY TO QUESTION NO. 95 OF 1988

HON M K FEATHERSTONE:

Mr Speaker, is the Honourable Minister saying we will have to wait twelve months before we get the results of any analysis?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker, what I am saying is that what we are doing is in accordance with what we have been advised to do by the authorities in the United Kingdom. It is not a matter of being told, by certain individuals, that because there is lead found in a specific area, that that is a hazard to humans. What we have to do is to be able to identify if there is a danger and to be able to do that it has to be analysed during a specific period of time and that is what the Government is doing.

HON M K FEATHERSTONE:

Will the Minister undertake to make public the results of the first analysis when they come through.

HON MISS M I MONTEGRIFFO:

Yes Mr Speaker. No problem.

ORAL

NO. 96 OF 1988

15 11 88

THE HON DR R G VALARINO

Will Government legislate so that retired pensioners, at present men over 65 and women over 60, do not have to contribute quarterly to the Group Practice Medical Scheme?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

The AACR constantly refused to do this because they argued that there were people over retirement age who had incomes higher than people in employment and that therefore only those whose income was at the level of the Old Age Pension should be exempt from payment.

The position is at present no different, however, it is being reviewed in the context of the restructuring of the social security services that is being currently undertaken.

MR SPEAKER:

Next question.

THE HON M K FEATHERSTONE

When is a geriatrician to be appointed to the Health Authority as has been recommended in the Report on the Medical Services?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES & SPORT

Mr Speaker, as the Hon Member should know the Review Team report to which he refers does not recommend that a geriatrician be appointed. It actually recommended that a physician with an interest in geriatric medicine and rehabilitation be appointed.

Since coming into office I have commissioned a review of services for the elderly in order to decide priorities for improving health care. It is not simply a matter of finding the money to employ an additional consultant: it is much more than that and my review is looking at all aspects including community based resources such as day care and home nursing as well as the hospital provision which is needed.

As regards the specific post of physician with interest in geriatric medicine and rehabilitation, negotiations are already underway with the BMA together with other important medical matters. However, a reply from the BMA is currently awaited.

MR SPEAKER:

Next question.

THE HON M K FEATHERSTONE

Are the costs of sending patients to the UK for treatment keeping within the estimate for this expense made at budget time?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, I would like to answer questions 98 and 99 together. The information requested under both these questions is being made available to the Honourable Member opposite on a quarterly basis. In fact, this exercise has never been undertaken before.

The estimates for Sponsored Patients and the expenditure on drugs prescribed by the Health Centre, which, incidentally, were prepared during the Honourable Member's term of office, were £310,000 and £1.2m respectively.

The information which has already been provided includes expenditure up to 30 September 1988 and shows that in the case of drugs being prescribed by the Health Centre it is in keeping with the estimate. This is still the case today.

With regards to Sponsored Patients sent to the UK for treatment, the Honourable Member should be aware that it is not possible to predict with any degree of accuracy what the total spent in any year is likely to be. Expenses incurred are dependent upon the clinical condition and the financial welfare of the patients concerned. The figures which have been provided show that the expenditure for the first half of the year exceeds half of the estimate and this may serve to give an indicator of the trend.

I should point out, however, that this government is prepared to support the expenditure in both of these areas.

SUPPLEMENTARY TO QUESTIONS 98 & 99 OF 1988

HON M K FEATHERSTONE:

The figure of £1.2m for drugs was quoted by the Honourable Minister but was it actually approved at Budget time? We were provided with rather sketchy information at Budget time and we do not know exactly what figure was provided.

HON MISS M I MONTEGRIFFO:

Mr Speaker, what I have said in my answer is that the £1.2m which is in relation to the Health Centre expenditure on drugs, is in keeping with the Estimates.

HON M K FEATHERSTONE:

Then £1.2m was provided.

HON CHIEF MINISTER:

Mr Speaker, it was not provided in the Budget because what was provided in the Budget was for a Treasury Subvention to the Health Authority. That Treasury Subvention to the Health Authority was based on the Treasury Allocation which reflected the 1987/88 Estimates. So that if you look at the global figure for 1988/89 it comes very very close to the global figure of 1987/88 and the components of that global figure are roughly the same.

HON M K FEATHERSTONE:

If the Honourable Member will remember, I used to have to come for a rather hefty supplementary to pay for the excesses under drugs etc, and I am wondering if we are following the same trend.

HON MISS M I MONTEGRIFFO:

Well Mr Speaker, as I have said in the latter part of my answer this Government is prepared to meet the expenditure in both areas.

HON M K FEATHERSTONE:

Then we may be likely to be faced with supplementaries.

HON MISS M I MONTEGRIFFO:

Yes we could be, Mr Speaker.

MR SPEAKER:

Next question.

ORAL

NO. 99 OF 1988

15 11 88

THE HON M K FEATHERSTONE

Is the expenditure of drugs prescribed by the Health Centre doctors keeping within the estimated limits made at budget time?

ANSWER

This Question was answered together with Question No. 98 of 1988.

THE HON M K FEATHERSTONE

What items from the £1-million asked for by the Health Authority have been left out of the £356,000 actually approved?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, as the Hon Member is aware, the allocations requested by Government Departments are not always met in full, and this money in any case only represents minor works and equipment. We have already put in more money in other areas.

When we received the requests for funding from the Health Authority, we imposed the same restrictions as we applied in other areas - we wanted to be absolutely convinced of their validity. We studied the requirements and were able to identify those items which needed to be provided as priorities and these have been met in full. It was these items which are represented by the approved sum of £356,000. Therefore as a Government we have acted responsibly because we have studied all manner of information before taking decisions.

Having allocated these sums during our first year of office, it is interesting to compare them with the sums allocated by the previous Government in recent years. For example:

In 1981/82 for minor works and equipment	£41,730
In 1982/83 " " " " "	£34,353
In 1983/84 " " " " "	£40,077
In 1984/85 " " " " "	£52,136
In 1985/86 " " " " "	£105,841
In 1986/87 " " " " "	£105,294
In 1987/88 " " " " "	£173,300

For 1988/89 we have provided for minor works and equipment - £356,000

No wonder, Mr Speaker, we have found our hospitals in such a delapidated state over so many years of neglect, and equipment either broken down or some Departments were even sharing it between them.

So already, in the short space of 7 months, this Government has been able to allocate a very marked improvement of financial assistance to priorities in relation to minor works and equipment, which have been substantiated with clear evidence provided by the management of the Health Authority, having undertaken a very comprehensive exercise and my Government is very grateful for their support.

SUPPLEMENTARY TO QUESTION NO. 100 OF 1988

HON M K FEATHERSTONE:

It is interesting to know that the figures increase considerably in 1985/86, 86/87 when I took office as Minister. Is it not a fact that the amount being spent on equipment this year is £146,000 and not £356,000. The £356,000 incorporates many other features.

HON MISS M I MONTEGRIFFO:

No Mr Speaker, what we are talking about is, a global figure of the actual equipment and refurbishment and that as a Government in our first term in office we are providing more money both for equipment and refurbishment than anything which the AACR has done in the past and that is definitely why both hospitals, at the moment, find themselves in a manner which they are, in a very dilapidated state.

HON M K FEATHERSTONE:

The Honourable Minister is not fully aware of the facts if she says that last year we only spent £173,000. The figure was nearer £300,000. There was £100,000 on equipment; £80,000 on the New Air Conditioning Plant; £70,000 spent by the Public Works Department; £10,000 on new Cookers for the kitchens, and £30,000 spent somewhere else. The total came to about £300,000 and if the Government has increased this to £346,000, I am very pleased to see that but this is in line with current inflation.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the money that we are providing is for equipment and minor works. There is another question and in that question I will provide the Honourable Member with the other expenditure which we have provided to improve the medical services.

HON A J CANEPA:

Does the Minor Works item include the eradication of the cockroaches, did the Minister manage to get round to that in the seven months that she has been in office and which she described as so horrendous?

HON MISS M I MONTEGRIFFO:

Well I have described many things which are horrendous Mr Speaker, not only the cockroaches and you have only to come to the hospital to see the condition it is in. What I am saying, Mr Speaker, is that the answer that I am giving refers solely to Minor Works and Equipment. If he waits until the question which is pending, I will give the Honourable Member the other items which we have funded to improve resources and to improve the services provided by the Health Authority.

HON A J CANEPA:

Does the Minister not think that the public in Gibraltar

is now expecting her to produce results, she has been in office long enough to stop the rigmarole of all the years the AACR was in Government. She has got to stand on her own two feet and answer for what she does. She has been now in office for long enough.

HON MISS M I MONTEGRIFFO:

Mr Speaker, I have been in office for seven months and what I can tell him is that as far as the Health Authority is concerned, the public, staff and the medical profession, in the hospital, are at the moment very pleased with our performance and what we need to do is to look back into the performance of the past Government, and compare that to what we have done in the short space of time since we have been in office, and I can assure him that it is more than what they did in all the years that they were in power.

MR SPEAKER:

Next question.

THE HON M K FEATHERSTONE

What is the philosophy of the Gibraltar Health Authority now that its personnel are remaining as civil servants?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, under the previous Government, Health Authority staff had been transferred from the Civil Service status and promised full protection of their pension and other employment rights. In coming into office this Government discovered that these rights could not be protected unless the staff reverted to Civil Service status in order to meet the previous Government's commitment.

Nevertheless the Health Authority is not about employing people but about providing health care. The philosophy of the Health Authority has the prime role of providing the highest achievable standard of care for the people of Gibraltar, of seeking improvement in the service and in education and training.

Since coming into office we have provided the Authority with the financial support and resources needed to achieve many improvements, including:

- Increasing the number of General Practitioners, there are now 11.
- Development of plans for the second health centre.
- Recruitment of additional nursing staff as recommended by the Hill Report.
- Improvements in the reception arrangements at the Health Centre, and a new records system.
- Disinfestation of St Bernard's Hospital against cockroaches.
- Allocation of record sums for minor works and for equipment.
- Extension of the "on-call" service provided by the Physiotherapy department staff.
- And a supply list for relief duties in the nursing and clerical grades to maintain the same level of services being provided.

SUPPLEMENTARY TO QUESTION NO. 101 OF 1988

HON M K FEATHERSTONE:

Did the Government not look into the possibility of amending the Pension Ordinance to allow the GHA personnel to be non-Civil Servants and still retain the benefits of their pensions and pension rights?

HON CHIEF MINISTER:

Mr Speaker, that possibility was looked into. As the Honourable Member knows from the years that he was in Government, amending the Pensions Ordinance is no easy thing, with quite a lengthy delay between Gibraltar and the United Kingdom for the approval of the Secretary of State. We had a situation where we were actually recruiting people, directly into the Health Authority, who were in total limbo because they had never been transferred, in the first place, from the Civil Service. So you had a situation where on the one hand you had to think of drafting changes in the law in respect of people who had terminated their employment in the Civil Service technically and being re-employed in the Health Authority and you had a situation of people who were recruited into the Health Authority never having been in the Civil Service. In looking at the complications that gave rise to and the possible repercussive effects in other areas, where somebody might say in a Joint Venture, well look if the Health Authority has got the right of a pension from the Consolidated Fund, why can't I have one. We therefore thought, quite frankly, that the possible sequel of following down that road, as well as the length of time the changes required in clearing with the UK, was such that it was better to revert to the position as existed in March this year. We have been told that technically it is possible to continue with a system where we give a subvention to the Health Authority and the Health Authority pays the Civil Servants, and of course it does away with having to introduce totally independent promotion procedures, disciplinary procedures and all the other things which were already in train and which, again, we have found create complications, once we had seen the thing working in practice. For example, the academic requirements for administrative staff in the Civil Service stopped being applied in April in the Health Authority and you had a situation therefore where people were getting the same rate of pay in the Health Authority as their counterpart in the Civil Service, doing the same job, but not requiring the same qualifications. Therefore what we discovered was, and it is not that we are blaming the previous Government on this one, because perhaps it could not have been discovered until you had tested it, but we found that the practice of totally separate employment created, frankly, a whole range of problems which we could do without.

HON M K FEATHERSTONE:

So in view of the points you have mentioned you are actually setting aside the recommendations of the Medical Team that came here and which suggested that the Health Authority should be free from the troubles of the Civil Service.

HON CHIEF MINISTER:

We do not think that we are, Mr Speaker, but at the end of the day, I am sure the Honourable Member must accept that recommendations have to be accepted or rejected by those who have the political responsibility for answering

for the consequences, and as far as we are concerned, to continue with the system that was introduced in March would have given us more problems than there were before the system was introduced and which the change was intended to cure. Now if you are recommended to do something and you find that the cure is worse than the illness well you learn by the mistake and you revert and that is what we have done.

HON A J CANEPA:

Does the philosophy of the Gibraltar Health Authority include having the Chief Minister giving a directive to the Matron so that she in turn will issue a memorandum as to who had access to the drugs cabinet or not?

HON CHIEF MINISTER:

Mr Speaker, the philosophy of the Health Authority is no different from the philosophy of any public body where decisions have got to be taken for which the Government is answerable. If you have a situation where a Manager takes a decision and that decision is one that, politically is unacceptable because it is contrary to the philosophy of what we are doing, then you intervene. I mean I know very well that the Honourable Member no doubt has the Matron or whoever, scurrying to him for support, that is one of the problems we have with so many AACR supporters put there by the previous administration. As far as we are concerned, I will tell him what the Government's decision was and why we defend it. The Review Team to which his colleague has referred, recommended the promotion of people to a new grade of Senior Enrolled Nurse who are paid the same pay as a Staff Nurse and it was a Government decision that if we were paying them as a Staff Nurse we wanted them to have the responsibility and do the job of a Staff Nurse. What we told the Hospital Administration was that if they were not going to be given the responsibility and the work, they should not get the pay. Now they had to get the pay because there was an agreement entered into in pursuance of a recommendation by the Hill Report and a commitment had already been given by the previous Government. We thought that the Manager was taking a wrong decision, contrary to policy, and one that would have created industrial conflict. So we told them to change their decision and as far as we are concerned we take the political responsibility for our decisions. I do not know how often he took that kind of responsibility, but I certainly remember, from my sixteen years on that side of the House, how often Sir Joshua Hassan by picking up the phone would overturn everybody else's previous decision. He must have experienced that himself.

HON A J CANEPA:

Mr Speaker, I have not seen the Matron since the 1 January 1988 when I visited the hospital in an official capacity but I am glad to hear that the Chief Minister makes himself responsible for the consequences of that decision.

HON CHIEF MINISTER:

Absolutely.

MR SPEAKER:

Next question.

THE HON M K FEATHERSTONE

What offers to tender have been made for the proposed joint venture of a new hospital?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

None Mr Speaker.

SUPPLEMENTARY TO QUESTION NO. 102 OF 1988

HON M K FEATHERSTONE:

Are they going ahead with the Joint Venture of the new hospital?

HON MISS M I MONTEGRIFFO:

I have just answered none, Mr Speaker, there has been no approach at all.

HON M K FEATHERSTONE:

I asked whether there were any tenders. I am now asking whether you are going ahead with the Joint Venture of a new hospital.

HON MISS M I MONTEGRIFFO:

And I have said no, Mr Speaker.

MR SPEAKER:

There are two different matters. You have said that no tenders have been made. You are now being asked whether the Joint Venture is still going ahead, even though no tenders have been made.

HON MISS M I MONTEGRIFFO:

And the answer is no, Mr Speaker.

HON M K FEATHERSTONE:

The Gibraltar Chronicle report was wrong?

HON M I MONTEGRIFFO:

Yes.

HON A J CANEPA:

The Minister did not consider it necessary to disabuse them?

HON CHIEF MINISTER:

Mr Speaker, it is not the policy of this Government, just like it was the policy of the previous Government, to spend time trying to correct mis-representations by inaccurate press reporting.

MR SPEAKER:

Next question.

ORAL

NO. 103 OF 1988

15 11 88

THE HON M K FEATHERSTONE

When are we likely to get a second Health Centre and where?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, this Government has already undertaken a lot of detailed work to pursue our objective of providing a second Health Centre.

We stated in our manifesto and still maintain that the second Health Centre should be in the South District.

Detailed work has included preparing a full statement of the required content of the Health Centre and from this plans have been drawn of the building shape and size. As the Hon Member will know the size and shape of the building must be determined before it is possible to select a suitable site.

Having completed this stage of the exercise we are now in a position to turn our attention to possible sites and this we are already in the process of doing with the assistance of the Management Board, liaising with other appropriate Government Departments.

SUPPLEMENTARY TO QUESTION NO. 103 OF 1988

HON M K FEATHERSTONE:

Do you think that you will have an answer to the problem within the next six months?

HON MISS M I MONTEGRIFFO:

Hopefully, Mr Speaker, yes.

MR SPEAKER:

Next question.

THE HON M K FEATHERSTONE

Why has GSL been commissioned to do work in the hospital instead of putting the work out to competitive tender?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, it is the policy of this Government to either use direct labour or Government owned companies for Government work.

SUPPLEMENTARY TO QUESTION NO. 104 OF 1988

HON M K FEATHERSTONE:

Irrespective of whether the GSL work is competitive or not?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker. I can assure the Honourable Member that when we have decided to take on GSL it is because we have compared them with quotations produced by Public Works. We have assured them that whenever they are competitive with GSL that we will take on whichever is most appropriate as far as Government is concerned.

MR SPEAKER:

Next question.

THE HON M K FEATHERSTONE

How many times has Main Street been flushed since March 24th?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Main Street has been flushed five times since March 24 as follows:-

- (a) On 26 March - From Casemates Gates to South Port Gates
- (b) On 14 April - From Church Lane to Bell Lane
- (c) On 23 May - From Casemates Gates to Parliament Lane
Cathedral Square to Kings Yard Lane
Church Lane to Horse Barrack Lane
- (d) On 4 August - From Convent Place to Mackintosh Square
- (e) On 9 September- From Cathedral Square to Convent Place

During this time shorter sections of Main Street have also been regularly flushed when carrying out the flushing of adjoining streets, lanes etc.

SUPPLEMENTARY TO QUESTION NO. 105 OF 1988

HON M K FEATHERSTONE:

Well the Government has fallen down on its commitment at Budget time that they were going to flush Main Street with great regularity.

HON J C PEREZ:

Mr Speaker, the Government is flushing Main Street at the moment with much more regularity than the previous administration ever did. They did it once a year if they were lucky. In seven months we have flushed it five times which is more than the Honourable Member can say for his Government.

HON M K FEATHERSTONE:

If the Honourable Member will take a leaf from the Honourable Minister of Medical Services and go back to 1981. He will find that it was flushed every day.

HON J C PEREZ:

Mr Speaker, since they stopped doing it they have lost the Election. I wonder why they stopped.

HON M K FEATHERSTONE:

We depend on the rain.

MR SPEAKER:

Next question.

THE HON K B ANTHONY

Will Government state:-

- a) For how many days the incinerator has been out of action since 1 4 1988?
- b) On how many days has rubbish been dumped at sea, since 1 4 1988?
- c) How many tons of rubbish have been dumped at sea since 1 4 1988?
- d) What has been the total cost to the taxpayer, of the payments made to the dumping contractor?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, the incinerator has been out of action for 32 whole days and 10 half days.

- b) Refuse was delivered to the dumping contractor on 30 days between 28 July and 1 October.
- c) It is estimated that some 1050 tonnes of domestic refuse was disposed of in this way.
- d) The dumping contractor has as yet not sent Government an invoice for the final amount.

SUPPLEMENTARY TO QUESTION NO. 106 OF 1988

HON K B ANTHONY:

Is the Honourable Minister telling us that he has given a carte blanche bill to the dumping contractor?

HON J C PEREZ:

No, Mr Speaker, as his colleague the Honourable Mr Featherstone, will be able to inform him there are a lot of things that Public Works contract out in an emergency basis and then await the bill, without knowing what it is going to cost.

HON K B ANTHONY:

Sir, I fully believe the Honourable Minister, but he has nevertheless stated that the incinerator was out of action for 32 full days and 10 half days, hardly an emergency situation, if it is out as often as that.

HON J C PEREZ:

The Honourable Member might not think it an emergency situation, but I can tell him that refuse which is there

for only two days and when you have a backlog of two days, you have an emergency situation because the gases, which can cause a fire, like there was about a month ago, so it is an emergency situation. The disposal of refuse has a lot of variances, which I certainly did not know about before I got into Government, but I am sure and again I am not trying to be sarcastic, but the Honourable Mr Featherstone can give the Honourable Member a bigger insight of all the problems involved in refuse disposal.

HON K B ANTHONY:

Sir, but surely on the first occasion that the incinerator broke down during the present Government's coming into office contingency measures could have been planned and none have been planned.

HON J C PEREZ:

Mr Speaker, it is not a question of having contingency plans for say a half day's breakdown which you can wear, which you can live with because with a half day's breakdown although there is an accumulation the backlog can be disposed of through overtime or through other measures. It is when you have a series of breakdowns and when you see the regularity of these occurrences, that you have to take measures and the position was that we had to take decisions in the middle of the bathing season, with our people using our beaches. We needed to take steps to try to protect, as much as was possible, the use of the beaches during the summer season. So instead of dumping it down the chute, as Honourable Members Opposite used to do in the past, we decided to contract GSL and to take the refuse out in barges and dispose of it as far away as possible in the Straits.

HON K B ANTHONY:

Mr Speaker, as far away as possible is a very vague term. Will he be more specific.

HON J C PEREZ:

Yes, I will be more specific. The Honourable Member has lived in Gibraltar for quite some time but he does not seem to consider the different tides and the different weather patterns that occur particularly in the Straits of Gibraltar. When I say as far away as possible it means, that in calm weather, one can take it out about fifteen miles and dispose of it in a given way. In very rough seas it is difficult and dangerous for the tug to go out very far to dispose of the refuse and then the Captain of the Tug decides how far out he can take it.

HON K B ANTHONY:

And how far is that please?

MR SPEAKER:

No, no, under no circumstances. You have been told the Captain decides. Not the Minister.

HON K B ANTHONY:

Mr Speaker, may I ask this question? You say quite fairly that the Captain of the Tug decides if the weather is rough, are you trying to tell this House that there was rough weather on these thirty days during this summer and we have had to dump close to shore?

HON J C PEREZ:

No, the Honourable Member does not seem to understand what I am saying. I am saying that on some occasions when the weather is not rough, it is taken out fifteen miles to a particular point and on other occasions when the weather has been rough it has not been taken out as far as when the weather is calm. I am not saying that during the thirty days the weather has been rough. What I can inform the Honourable Member is that although the answer says that we have delivered to the dumping contractor refuse for thirty days, that does not mean that the dumping contractor has disposed of it in those thirty days. They might have taken more days or less days to dispose of it depending on the capacity of the barge and the days when it was impossible to go out and they had to keep the refuse there until the weather was calmer.

HON A J CANEPA:

Is a Report submitted to the Public Works Department regarding the distance that on those days when the weather is perfect the refuse is dumped? Is there subsequently a report giving the Government the information?

HON J C PEREZ:

No, Mr Speaker, the report was not given to the Public Works Department. Guidelines on how the MOD used to dispose of their rubbish were given to GSL, at the time, and GSL have ensured that the Tug contracted for that work is aware of this and in fact some expert or other did go out on a couple of occasions with the Tug to ensure that these guidelines were being met as far as was possible.

HON K B ANTHONY:

Mr Speaker, is fifteen miles the norm that one is aiming for?

MR SPEAKER:

No, no. You are not an expert as to when and where. You are not responsible.

HON P C MONTEGRIFFO:

Mr Speaker, the Member is not being sarcastic, but I think

he is being unfair, quite unfair, because, I think the question, that the Honourable Member was asking earlier on was very simple. There are 32 days, this incinerator had broken down. It was an emergency on day 1, day 2, day 5, day 10. It is an emergency on every single day as an event. All the Member rightly wants to know and, I think this House is entitled to know, is if the incinerator is going to keep on breaking down despite the fact that we are now having it partially repaired, but there is this possibility. Can we not have by now some indication of what it is costing? In the seven months that this has been happening are we led to believe that not one single Bill or Invoice has been sent to the Department?

HON J C PEREZ:

Mr Speaker, I have already given an answer to the Honourable Member. There are things that the Public Works Department have to contract out during the course of the year. One of these things is the equipment for the incinerator, which as Honourable Members opposite should know has been contracted out on a monthly basis for the last three or four years, and the Department then receives the bill later. We did not envisage that the dumping was going to be for a period of say thirty days or so. We started disposing the rubbish to the dumping contractor and as time went on the professionals in the Department told me that now that we are dumping out at sea it be better to do a complete survey to see what the major works that we needed to do at the beginning of the year looked like and I agreed. Once we were dumping it was better to get rid of the whole of the backlog in that manner so that when we started burning we could do so in a better way. It is not a simple method of saying well, I am going to be out of order for five days so I dump for five days.....

MR SPEAKER:

Anyway the answer is that you have not been billed. It is as simple as that.

HON J C PEREZ:

That is right.

HON A J CANEPA:

No bills have been submitted at all?

HON J C PEREZ:

No.

HON CHIEF MINISTER:

Mr Speaker, we are paying bills today for things they did and we have been in Government for seven months and we are still getting their bills. So there are things that get billed a very long time after they happen.

MR SPEAKER:

Order. Are you going to answer?

HON P C MONTEGRIFFO:

And as a Government. When you know your incinerator is breaking down thirty days out of seven months, is it not prudent to be strict with public expenditure.....

MR SPEAKER:

Order, order, we are debating. The Opposition can ask whatever questions they wish to obtain information, but let us not debate.

HON LT-COL E M BRITTO:

Can I ask clarification? Of these thirty days or thirty two days that you mentioned, was this a continuous spread or was it a number of.....

HON J C PEREZ:

Breakdowns during the 28th July and the 1st October, on different occasions. It was not thirty continuous days.

HON LT-COL E M BRITTO:

Right, then I think, Mr Speaker, the point that has been made by two of my colleagues already and I will try to reiterate is that in an ongoing situation, where you expect to have to come back to a contractor, GSL of whoever

MR SPEAKER:

No, with respect, we are not going to debate. If you want to ask a specific question to get a specific answer you can do so, but let us not embark on whether Government should have done this or should have done that. That is a matter for a Motion.

HON A J CANEPA:

On a specific matter. The Minister has stated final invoices have not been received, what has been received then?

HON J C PEREZ:

No invoices at all.

HON M K FEATHERSTONE:

Is that a reflection on the way GSL does all its invoicing?

MR SPEAKER:

Next question.

THE HON K B ANTHONY

In view of the Government's expressed concern over the state of the incinerator, will they now state what plans they have to provide a new incinerator, where it will be sited, and at what cost to the taxpayer?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

The Public Works Department has been actively considering the question of refuse disposal ever since the report by the consultants Haiste International was received in March 1988. This has included visits to installations in the UK and Spain and the consideration of a number of schemes put to Government by a number of different enterprises. The Public Works Department have very recently made their recommendations after having given due consideration to all the proposals and these recommendations are now being studied by Government.

SUPPLEMENTARY TO QUESTION NO. 107 OF 1988

HON K B ANTHONY:

Mr Speaker, have you any idea when you will have an answer to this problem.

HON J C PEREZ:

I am afraid at this stage, no, Mr Speaker. I received the Report about ten days ago. I personally still have not had a chance of reading it. The Honourable the Chief Minister has a copy and we will have to discuss it at Council of Ministers. We will have to consider every aspect and we might wish to go back to the Department to seek clarification on certain aspects. So, Mr Speaker, at this stage I have no idea when a decision will be taken.

HON K B ANTHONY:

I thank the Honourable Minister for that statement, but in view of the urgency of the situation to ask him to expedite the matter as quickly as he can.

HON J C PEREZ:

Yes I will, Mr Speaker, but regardless of the urgency of the situation, the alternatives that are in front of us, some of which are costly and will take a long time in being installed. The immediate solution to the incinerator, whether it is a total solution or not, is subject to how much the incinerator will last with the repairs that are going to be made. The immediate solution is the repairs that will have to be carried out at the beginning of the

year. Whatever option we go for will take twelve to eighteen months before anything is installed. So however short a time we take in deciding the matter, will have very little influence in what replaces the incinerator, if at all.

HON LT-COL E M BRITTO:

Is it then going to be Government policy that in such a situation will continue to dump at sea or are they exploring other possibilities.

HON J C PEREZ:

No, Mr Speaker, the Government will whenever possible and whenever forced to do so, continue to dump at sea.

HON LT-COL E M BRITTO:

So you are not exploring other possibilities?

HON J C PEREZ:

We do not think that there are any other feasible possibilities in front of us at the moment.

HON LT-COL E M BRITTO:

The possibility of using the Los Barrios tip has been discarded by this Government?

HON J C PEREZ:

The possibility of using the Los Barrios tip has been discarded for various reasons as I set out in my Press Release in answer to a Press Release by your colleague, Mr Anthony, sometime ago.

HON LT-COL E M BRITTO:

Mr Speaker, will the Minister confirm that in his answer to that Press Release what he said was that the main reason for not dumping at Los Barrios was the dependency on Spain and the closing down of the destructor?

HON CHIEF MINISTER:

Mr Speaker, the position on the use of the Los Barrios tip was that some tentative discussions had taken place before we came into office. When we found ourselves that the incinerator had broken down and a requirement for an alternative, we inquired what was the status of those technical meetings that had taken place and the feedback that we got, was that it required a request as a personal favour to be allowed to use the tip and in subsequent discussions, the report that I have had from the people in the Foreign Office who have been in touch with the authorities on the other side, is that it would require

a political agreement and that although they would not be asking for a quid pro quo, they would be driving the point home that this was evidence of their goodwill towards us, which we would no doubt have been reminded about in the future. The policy of the Government, as I will explain, in answer to other questions on cooperation with our neighbours is that we are not prepared to enter into situations where there are strings attached.

MR SPEAKER:

We will now recess until this afternoon at 3.15 when we will continue with questions.

THE HON K B ANTHONY

Does the Government have any information about the British Government legislation, that will come into effect on 1 1 1989, vis-a-vis the dumping of refuse at sea?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, no, government does not have this information.

SUPPLEMENTARY TO QUESTION NO. 108 OF 1988

HON K B ANTHONY:

Mr Speaker, the reason I am asking is because legislation will be coming into effect on the 1 January, imposing heavy fines for the dumping of rubbish at sea. This is being imposed by the Department of Transport in Britain and I am concerned in case it is as a result of legislation in the EEC. If that is the case it will no doubt also apply to Gibraltar.

HON J C PEREZ:

Mr Speaker, the information that the Government has does not compare with that of the Honourable Member. The legislation that is coming into effect on the 1 January, in the United Kingdom, is the application of Annex 5 of MARPOL, the International Convention for prevention of pollution from ships and it has to do with the dumping of self generated domestic waste by sea going vessels. It has nothing to do with normal disposal of refuse, and in any case, I am advised by the Foreign and Commonwealth Office, that Annex 5 does not apply to Gibraltar.

MR SPEAKER:

Next question.

THE HON K B ANTHONY

Will Government clarify whether or not the pension rights of former Cable and Wireless workers were affected, when these employees were made redundant and then re-employed by Gibtel?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, it is the Government's view, and the position of Gibtel, and the view of the employees concerned that Cable & Wireless is committed to make a transfer payment to Gibtel which will ensure future pension rights of Gibtel employees on the basis of continuity of service, that is to say, the years in Cable & Wireless will count for pension purposes as if they had been working with Gibtel.

I regret to say that this view has been contested by Cable & Wireless who claim that Gibtel, on the authority of the previous administration, signed an agreement with them which they then failed to honour on 1 January by failing to take into employment those persons who had ceased to be employed by Cable & Wireless on 31 December 1987.

This agreement, signed on the 27 December, was entered into with the approval of the previous Government, as part of the negotiation of the transfer arrangements on the termination of the franchise of Cable & Wireless. The existence of the agreement was kept secret from the workforce who were at no stage told that they were risking their pension rights. It was one of the factors that had to be taken into account when I took office and it came to light.

The existence of this agreement put a constraining influence on my Government's ability to negotiate with Cable & Wireless to ensure better terms for their former employees.

In the light of this and during the course of subsequent negotiations, Cable & Wireless agreed to proceed with the transfer of pension rights on the basis that Gibtel would engage their former workforce with retrospective effect as from 1 January 1988. It is for this reason that the Government maintain that even if Cable & Wireless had an argument against the previous administration, this argument is no longer valid since steps have been taken to meet the point at issue.

SUPPLEMENTARY TO QUESTION NO. 109 OF 1988

HON A J CANEPA:

Does the Minister for Government Services accept, and I have checked with my two colleagues who were then in the

Government, namely the Hon Mr George Mascarenhas and the Honourable Mr Featherstone, that we have no recollection of an agreement, signed on the 27 December, 1987, which effectively undermined the pension rights of former employees of Cable and Wireless ever having been brought to our attention. Will he accept further, that for us it was axiomatic that their pension rights were going to be safeguarded in changing employment from Cable and Wireless to Gibtel?

HON J C PEREZ:

Mr Speaker, there are two aspects here. One is that according to our partners in Gibtel, British Telecom, the then Minister for Telecommunications, Mr Perez, was informed and he agreed to the signing of that agreement between Gibtel and Cable and Wireless. This agreement was signed on the 27th December and it was for this reason that we were, in fact, angry when coming into office at finding that the commitment that the then Minister had given to the employees could not be fulfilled because of the subsequent agreement that had been signed. On the second part, I have had a call, this morning, from British Telecom and it appears that the negotiations with Cable and Wireless are very well advanced and the position, at the moment, looks favourable although no concrete conclusions have been arrived at. However, the position looks favourable, but as I said, according to Gibtel's management Mr Perez, the then Minister, was in full knowledge of the facts when that agreement was signed.

HON CHIEF MINISTER:

Let us be clear, Mr Speaker, that we have not accepted, on this issue, the Cable and Wireless version anymore than we have accepted, on the Spanish pensions issue, the version of the British Government. So what has happened on this one is, that Cable and Wireless argued that the trigger for the pensions transfer was employment on the 1 January and that if they were not employed on the 1 January, then the pension transfer could not take place. We find that difficult to accept because, in fact, on the 27 December it was known that people would not be starting on the 1 January. So we cannot understand how the Government would have expected anything different to happen on the 1 January than what happened. There was a public statement made in December, when this thing was supposed to have been signed. However, in any case the position today is that Gibtel, in order to safeguard the position of the employees in the light of that argument, has actually given workers contracts of employment dated the 1 January. So whatever the strength of that argument might or might not have been before people actually started working officially for Gibtel and signed an agreement, the position today is that the contracts of employment have been made retrospective to the 1 January and therefore our position is that the Cable and Wireless argument holds no water.

MR SPEAKER:

Next question.

ORAL

NO. 110 OF 1988

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THE HON K B ANTHONY

Sir, will the Minister for Government Services state from which source or sources the redundancy payments to former employees of Cable and Wireless came, and the total amount paid out?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, the dispute was settled between the Transport & General Workers Union and Cable & Wireless. It is not for the Government to disclose the sum of money involved.

What I can categorically state is that the Government has made no contribution whatsoever from public funds to the cost of meeting any settlement by Cable & Wireless, as I already stated, was the policy of the Government at the last meeting of the House.

MR SPEAKER:

Next question.

THE HON K B ANTHONY

Will the Minister for Government Services now make a full statement on the Gibtel dispute, which he promised at the last meeting of this House?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, the Government is still not in a position to make a full statement on the Gibtel dispute because, as I repeatedly said at the last meeting of the House, there exists a confidentiality clause in the Shareholders Agreement signed by the previous AACR Government which prohibits me from doing so without the agreement of British Telecom.

In the renegotiation of this agreement which is now virtually complete, attempts have been made by the Government to do away with this clause in its entirety but this had not been possible. The only other option left for the Government therefore, is to agree with British Telecom the text of a statement to be made public, but this, as you will probably understand will somewhat restrict me from releasing all the details of the dispute, the agreement signed by the other side when in office and the renegotiation of that agreement.

Let me make it quite clear once again that the Government is prepared, indeed eager that all this information should be made public. Unfortunately the clause I have mentioned, and which was agreed to by one of their former colleagues remains in the agreement. It reads as follows:-

18.1 Confidentiality

Each of the parties to this Agreement shall keep confidential all information howsoever obtained under or in connection with this Agreement and shall not divulge or disclose the same or any part thereof without the prior written consent of each of the other parties to this Agreement, except that any party may disclose confidential information to the extent necessary for the purpose of implementing this Agreement to employees of suitable standing. The restriction in this Clause 18.1 shall not apply to:

- (a) information in the public domain otherwise than by breach of this Agreement; or
- (b) information in the possession of any party to this Agreement before disclosure which was not acquired directly or indirectly from any other party to this Agreement; or

(c) information lawfully obtained from any person not a party to this Agreement who is free to disclose such information; or

(d) information developed or created by any party to this Agreement independently of any other party to this Agreement.

This obligations of the parties to this Agreement contained in this Clause 18.1, and please pay attention, shall continue in force notwithstanding the termination of this Agreement for a period of twenty years following such termination, that is to say that your former colleague has conditioned this agreement to be top secret, not for the twenty years of the franchise only, but twenty years after that.

SUPPLEMENTARY TO QUESTION NO. 111 OF 1988

HON K B ANTHONY:

Mr Speaker, a marvellous speech. I would just like to raise one point, if I may, if the two parties agree to release the information it could be released.

HON J C PEREZ:

If the two parties agree, yes.

HON K B ANTHONY:

Has there been any effort to get the two parties to agree to release this information.

HON J C PEREZ:

Yes, as I have said in answer to the question, we have attempted to remove this clause in its entirety to give us the freedom to make all the documents public. Unfortunately the other party does not agree. So now the best option that we have, the only one that we have, is to have an agreed statement. However this is very much dependent, the information that can be released, is very much dependent on how much information British Telecom would like released.

HON K B ANTHONY:

So we can look forward perhaps to a full statement in 2008?

HON J C PEREZ:

A full statement, yes. I do not think I will be here, but you might be more optimistic.

HON K B ANTHONY:

I would like to think that I will be here.

THE HON G MASCARENHAS

Can Government state what their policy is in respect of Satellite receiving apparatus?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, the policy of the Government in respect of Satellite receiving apparatus is to regulate the situation so that the acquisition of this equipment by members of the general public is allowed by law. There are planning considerations which the Hon Member opposite has himself looked at when in Government and which are still being looked at.

A decision has not yet been taken on this because the Gibraltar Broadcasting Corporation has put the Government on notice that they have proposals to put to the Government which could have a considerable impact on the planning considerations which I have mentioned.

Since the Board of GBC has recently been appointed, I have been informed that these proposals are being considered by the new board before putting them forward to the Government.

SUPPLEMENTARY TO QUESTION NO. 112 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, in the meantime the Government is obviously aware of such apparatus being installed. Will the proposed legislation have some form of retrospective effect whereby people who at present have dishes installed to receive satellite transmissions can obtain licences. Otherwise we are going to have a rather odd situation where individuals and developments like Vineyards, where there are already satellite dishes on their roofs will have to apply for a licence.

HON J C PEREZ:

Mr Speaker, the nature of the proposals are such that anybody investing illegally today in equipment might find that that equipment will not be suitable for what we finish up with. Those are the nature of the proposals that are being studied. I would certainly advice people to abide by the law as it stands at the moment and also advice those people who at present do not have the necessary equipment not to pre-empt Government's decision with regards to satellite television because they could be investing large sums of money in the wrong equipment.

HON P C MONTEGRIFFO:

Mr Speaker, is it the Government's view then that effectively the purchase and use of such equipment today is illegal? My understanding is that it was unregulated and therefore not illegal?

HON J C PEREZ:

No Mr Speaker. That was the previous Government's view, defended by the Attorney General, and therefore since the Attorney General is the same one, I am not disputing it.

HON P C MONTEGRIFFO:

I thought you were, Mr Speaker.

HON J C PEREZ:

On matters of law the Attorney General responds.

HON P C MONTEGRIFFO:

Yes, but you have responsibility.

HON J C PEREZ:

I have told you what the Government's position on this matter is.

HON G MASCARENHAS:

Mr Speaker, having regard to the developments taking place in this area, I have been reading press reports only last week that two firms in England are already on the verge of producing £150 worth of equipment 1½ centimetres in size, that will become an every day thing. Is the Minister aware of all this?

HON J C PEREZ:

I have told the Honourable Member that the nature of the proposals are such that the present equipment could become obsolete.

HON G MASCARENHAS:

Absolutely, this is what I am saying.

HON J C PEREZ:

I am not going to go further at this stage.

MR SPEAKER:

Next question.

THE HON K B ANTHONY

Sir, will Government state whether or not Government Ministers private telephone bills are being paid at public expense, and if so, the reason why?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, as the House is aware, the GSLP made it a condition of being accepted as a candidate that no member elected into Government can have any form of alternative employment or business or professional activity but must dedicate themselves full-time to being a Minister and carrying out those duties. This is effectively what all members on this side of the House did on taking office on the 25th March. After we had begun the task of introducing the changes that we think are essential to transform Gibraltar into a viable and efficient economy, we discovered that full-time in the present circumstances means virtually seven days per week and quite often twelve hours a day. In those circumstances I have required all my Ministers to be available to respond to their public duties at any time that the Government requires them to do so and I have therefore given instructions that they should each be provided with a departmental telephone given that they are devoting themselves wholly, with all their available time, to the task of Government. This insignificant additional cost of running the Government, Mr Speaker, is one that I am sure that people, the tax payers of Gibraltar, will not begrudge us given the savings that we are making and have made in other directions. Let me say that the position on the payment of Government Ministers is one that we feel may need to be reviewed after we have been in office a while in the light of the workload being taken on by Government Ministers today as compared to what was the practice under previous administrations. I would remind the House that when in Opposition, we always maintained that if there had to be different payments made in respect of full-time, as opposed to part-time Ministers, the Opposition would support this. What we have never supported was the creation of an artificial position of Deputy Chief Minister with a salary based on that status which has got no validity under the Gibraltar Constitution, and for this reason when we came into office we terminated that role and the additional payments that had been attached to it.

HON K B ANTHONY:

Mr Speaker, I thank the Chief Minister very much for that answer. You mentioned departmental telephones, are these over and above Minister's own private telephones installed in their houses?

HON CHIEF MINISTER:

The position is, in fact, that Members were not in a position to continue with their own telephones when they came into Government, and either they would have had departmental telephones or no telephones at all.

HON K B ANTHONY:

So it is an addition to their own private telephone that existed prior to the 24th March.

HON CHIEF MINISTER:

The individual Member is provided by a telephone which is a telephone that is an expense to the department that that Member is running. Had there not been a departmental telephone, Members would have had no telephones at all, either provided by the department or provided by themselves.

HON K B ANTHONY:

They would have had their own private telephones.

HON CHIEF MINISTER:

No, I am saying they would not have had. The position that was taken, when the matter was discussed, was that if we were not going to proceed with departmental telephones we would stop having telephones, period.

HON A J CANEPA:

Is there any distinction being drawn between rentals and the actual telephone calls made?

HON CHIEF MINISTER:

No, the position at the moment, Mr Speaker, is that having looked at the use of the telephones by Ministers, it is quite obvious to us that the telephones are being used primarily for Government business, and that there might be an insignificant private use of those telephones but that the cost of distinguishing between one and the other is more than any difference that there might exist to Government expenses. Very much like we do not, in fact, say to Government officials or indeed to Ministers that they have to log any private calls that they make from Government offices.

HON A J CANEPA:

Is any distinction being made between calls made in Gibraltar and calls made overseas?

HON CHIEF MINISTER:

There is no distinction being made, but I am not aware that any of my Ministers have any reason to call overseas

other than on Government business. I can tell the Honourable Member that the bulk of the calls are involved primarily in communication between Ministers, who are outside Gibraltar, and Ministers who are in Gibraltar when some of us are overseas. Apart from that most of the overseas calls are done from our offices during office hours. It is only, for example, on occasions where I have been on the other side of the world, where there is a huge timelag, that the telephones in the Minister's houses are tended to be used for overseas calls.

HON A J CANEPA:

Does that not mean that any telephone calls that are made by Members of Minister's families are being paid for by the taxpayer?

HON CHIEF MINISTER:

Well, Mr Speaker, the position is very clear. This **is** the policy that the Government has decided. As far as I am concerned, given that the Honourable Member opposite paid himself £9,000 as deputy Chief Minister, at the taxpayers expense, I think, that even if it means that there are a few pence being used by Member's families, the people of Gibraltar are getting a very good return. The Honourable Member has not got to agree with me, but then I suppose you could say that today, I had a salami and, I think, a cheese and mortadela roll for lunch, I did so at the taxpayers expense and I worked for an hour. I think working an hour for two rolls is very good value for money. I wish I could get other people to work for me for that money.

HON A J CANEPA:

The Chief Minister is now in danger of talking nonsense, Mr Speaker, and he is trying to deflect from the point that we are making. First of all I did not pay myself £9,000 as deputy Chief Minister. What I was getting was one quarter more than what a Minister got. At today's rate that would be about £4,000 a year. That money was being paid to me for the work that I did and was not being paid to any member of my family, so no member of my family was in receipt of taxpayer's money. But the situation that we now have, Mr Speaker, and will the Chief Minister confirm this, is that any member of a Minister's family can make a telephone call to Timbuctoo, to Australia and where have you, and the taxpayer is going to pay for that call, yes or no?

HON CHIEF MINISTER;

That is perfectly true, Mr Speaker, and the truth of the matter is that it will be considerably cheaper to use the money for that than do like the Honourable Member and pay himself.

HON A J CANEPA:

We are not discussing what I was paying myself, Mr Speaker.

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

He has got as much right to discuss the telephone bills, as I have to discuss what he was paying himself.

HON A J CANEPA:

No, Mr Speaker, he should answer on the questions that I am putting.

HON CHIEF MINISTER:

I still have not given way, Mr Speaker, the Honourable Member ought to keep his temper under control. He is worse than I ever was.

HON A J CANEPA:

Of course, the cheek that you have to come and tell the House what you are saying today.

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

The Honourable Member is clearly much more unruly, Mr Speaker, than I ever was in sixteen years, and I had to put up with more of a scandalous waste of public money under sixteen years of the AACR than there ever will be under the GSLP. As far as I am concerned this is the decision of the Government. The Government is happy that the people of Gibraltar think we are not abusing our power to make money for ourselves or to run private businesses from Government offices, and therefore this is insignificant.

HON A J CANEPA:

Will the Chief Minister accept that the people of Gibraltar did not know that this is what is happening and that this is the first occasion that it is being made public? That the members of Minister's families are able to use telephones without any restrictions whatsoever at will at taxpayers expense.

HON CHIEF MINISTER:

Mr Speaker, if the Members of this House, on this side

choose to have a telephone provided by the department, because it is considered necessary, the control that is exercised over it, is the sense of responsibility that Members on this side of the House have and that therefore it is being used for what it is being provided. If Members of our families wanted to ring Timbuctoo, the Honourable Member knows from the sixteen years that he was in Government, that it is easier for any Member of anybody's family to come to the office and put the call to Timbuctoo. So it is complete and utter nonsense and the reality of it is that, since the Honourable Leader of the Opposition is where he ought to have been a very long time ago, he is nitpicking to try to find something to criticise in our administration because he has run out of important things. The only thing that he can think of is that we are abusing our power by allowing our families to run cheap telephone calls from home. Well he can chose to think that, I am happy to say that, I think, it will only undermine his credibility even more than it is already.

HON P C MONTEGRIFFO:

Will the Chief Minister confirm that if and when Ministers' salaries are increased, as has been the indication now, that the telephone subsidy will be removed? As my understanding was that the reason for the subsidy was the relatively moderate level of salary paid to Ministers at present.

HON CHIEF MINISTER:

The position, Mr Speaker, is that once the salaries are reviewed, this matter will be reviewed at the same time. At present the reality is that we have a situation where most of the Members of the House are in a difficult financial situation working full time and with no other income, and therefore we were not prepared, in fact, to take on this additional substantial expense on our own backs when all that we are doing twelve hours a day is dealing with Government business. It was not an attempt, and it is nonsense to say so, that it was an attempt to get cheap telephone calls for our families.

HON A J CANEPA;

Will the Chief Minister undertake that on any other occasion that the Government decides to pay themselves or their families similar perks that they will make a statement in this House to make the matter public?

HON CHIEF MINISTER:

No, I do not undertake to make any statements to the House, Mr Speaker, I have been sixteen years on that side of the House and the only way to extract information from the AACR was to pile question after question on them and he is going to get nothing more, from me, than he ever gave me in return.

HON A J CANEPA:

Well Mr Speaker, we might have to bring a Motion of censure on the Government in due course on this matter.

HON CHIEF MINISTER:

I do not doubt it will suffer the same fate as every other previous motion of censure has suffered.

HON A J CANEPA:

Then we will see what fate they suffer in the political damage that it will do to them.

MR SPEAKER:

Next question.

THE HON K B ANTHONY

Will the Minister for Government Services make a full statement about the terms under which the Refuse Collectors strike of 25/26 July was settled?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

There was no settlement of the strike. The dispute ended because workers on strike returned to work.

SUPPLEMENTARY TO QUESTION NO. 114 OF 1988

HON K B ANTHONY:

Did the workers go back to work for love of the Government?

HON J C PEREZ:

I suggest he has a meeting with them and find out for himself. The Government did not accede to their demand and the workers, who were only on strike for one day, returned to work. It is as simple as that.

HON K B ANTHONY:

They received no financial benefits, no conditions, no concessions?

HON J C PEREZ:

Nothing whatsoever, Mr Speaker.

MR SPEAKER:

Next question.

ORAL

NO. 115 OF 1988

15 11 88

THE HON K B ANTHONY

In answer to question 38 of 1988, the Hon Minister for Government Services said he could not commit his Government to the building of a new prison, within their four years term of office. In view of the recent escape of Sr Recio, is he now prepared to expedite this matter?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

At present there is no reason to believe that the escape of Senor Recio from Moorish Castle was due to the building that houses the prison. All the indications are that the escape was made possible because of remedial works taking place at the prison. The Police has carried out an investigation which has now concluded and is with the Attorney-General.

MR SPEAKER:

Next question.

THE HON K B ANTHONY

Will Government state what has been the result of the investigation into the security of the prison?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, there has been no investigation into the security of the prison. The Police carried out an investigation into the escape of Senor Recio and this has now concluded and is with the Attorney-General.

SUPPLEMENTARY TO QUESTION NO. 116 OF 1988

HON K B ANTHONY:

Mr Speaker, when I worded this question into the investigation into the security of the prison, I am referring to the escape of Sr Recio? I did not ask who carried out the investigation.

HON J C PEREZ:

Well, I am saying that no investigation into the security of the prison has been carried out. There has been an investigation into the incident surrounding the escape of Sr Recio, but the security of the prison has not come into question. It is a very minor aspect of the total investigation into the escape. I have not seen the report yet. The Attorney-General might be able to answer more about it. He has the Report with him.

HON K B ANTHONY:

Surely the Honourable Minister can understand that if a prisoner escapes from our prison, it is the security of the prison, in the public's viewpoint, that needs consideration.

HON J C PEREZ:

When I see the report I will be able to say yes or no. My own feeling on the matter is that that is not the case.

HON K B ANTHONY:

But the Report has not been seen by you.

HON J C PEREZ:

The Report is with the Attorney-General.

HON K B ANTHONY:

Can we ask the Honourable Minister therefore, Mr Speaker, whether we, on this side of the House, will get the results of the Report.

HON J C PEREZ:

Mr Speaker, only this morning the Attorney-General was thinking whether or not to give it to me. It is up to him to decide whether he makes details of the Report public or not, or even available on a confidential basis. The Police report to the Attorney-General and the Attorney-General is the one that takes those decisions, not Government Ministers.

HON K B ANTHONY:

But nevertheless, Mr Speaker, it is a political decision whether or not this side of the House will get to see the Report. I am asking the Minister this question.

HON J C PEREZ:

If the Attorney-General were to allow it, I would have no objection to the Honourable Member having the Report on a confidential basis.

HON K B ANTHONY:

Thank you.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Will the Minister with responsibility for the Port state what plans the Government has to provide alternative moorings for the boats presently moored:-

- (a) at the Camber
- (b) at Montagu Basin?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Sir, in respect of Montagu, works are currently being undertaken in the area in front of the Watergardens to provide berths for the boats in Montagu including the Calpe Rowing Club. Floating pontoons have been purchased and are shortly expected in Gibraltar. These will be laid in the area and will provide sufficient moorings for all the boats concerned.

In so far as Camber is concerned the final plan for the reprovisioning of berths for the 214 odd boats has not yet been finalised.

SUPPLEMENTARY TO QUESTION NO. 117 of 1988

HON A J CANEPA:

So the situation with Montagu is that the Government is effectively entering into a commitment to reprovide moorings for all boats now moored at Montagu in order to enable the reclamation project to go ahead, is that so?

HON M A FEETHAM:

That is correct.

HON A J CANEPA:

What is he saying, as regards to Camber, that there are no plans at the moment or that the full extent of the reprovisioning requirement is not known?

HON M A FEETHAM:

What I am saying is that plans have yet not been finalised. That is what I am saying.

HON A J CANEPA:

Can he give some indication, is he confident that they will be able to reprovide the moorings to enable the Queensway project to go ahead?

HON M A FEETHAM:

Our understanding, Mr Speaker, of the situation was that when the previous administration agreed to go ahead with the development at Queensway, the plans that the administration had was to provide for the reprovisioning of the Camber

boats in the area known as the Montagu Basin. Following their decision to construct houses at Montagu Basin they effectively blocked their plans for the reprovisioning of the Camber boats. Irrespective of that it is our intention to provide reprovisioning when the time comes, in an area that we find to be most effective.

HON A J CANEPA:

No, I think the Honourable Minister is mistaken, Mr Speaker. The obligation under the agreement was that the Government should provide a site somewhere where the boats at the Camber could be reprovided and the prospective developer would meet the cost of that. However, I do not recall ever that Montagu was specified for that purpose. The Captain of the Port and other planners may have been looking at Montagu at the time, yes, I do not doubt that that is so, but not that it was a commitment. So is the position therefore that in fact, as far as Camber is concerned, no suitable alternative moorings have as yet been identified?

HON M A FEETHAM:

No Sir, that is not the position. What I have said is that the final plans have not been decided upon. It does not necessarily follow that we do not have our own plans for a particular site.

HON A J CANEPA:

Is the Minister confident that by the time a start is made on the Queensway Development, the Camber will be clear of boats moored there?

HON M A FEETHAM:

It does not necessarily follow that the start of the Queensway development will mean that we have to reprovide the Camber boats at the same time.

HON A J CANEPA:

Right, well at some time during the course of the development, before it becomes an absolute requirement, that they be moored elsewhere.

HON M A FEETHAM:

Of course, I am sure the Honourable Member opposite will give some credit to the Government for finding a solution to that somewhere along the line, yes.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

What arrangements have been finalised with the Ministry of Defence on the reprovisioning of facilities arising as a result of the Montagu reclamation scheme?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Sir, there are no areas of difficulty with the MOD in connection with the reclamation of Montagu.

SUPPLEMENTARY TO QUESTION NO. 118 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, are we to have another denial. Are the various reports that there was a deadlock in the negotiations with the MOD on the reprovisioning, in particular of one of their launches, correct? Are those reports unfounded? Or has there been a solution to the reprovisioning problem, subsequently?

HON M A FEETHAM:

Mr Speaker, the question referred to the Montagu Reclamation Scheme and there are no difficulties with the MOD in respect of that.

HON P C MONTEGRIFFO:

My understanding has been, Sir, that this was exactly one of the major problems and that the indication given by Ministers, and I think it was the Honourable Mr Feetham, was that stones would be dumped at the Montagu basin irrespective of an agreement having been finalised with the MOD. Unless I am completely confused, and I think the rest of Gibraltar is confused, our understanding of the position was that this difficulty arose out of differences with the MOD on reprovisioning. Is the Minister telling us that the matter has been solved or that there was never any difficulty at all. If that is the case the public has been misinformed for weeks on end, certainly I had that impression, Sir.

HON M A FEETHAM:

The Hon Member may be confused, but I certainly am not and I am dealing with the matter. Mr Speaker, there is no difficulties with the MOD on the reclamation of Montagu.

HON P C MONTEGRIFFO:

Was there ever then a dispute or a difference with the MOD arising out of the reprovisioning of facilities as a result of the reclamation, Sir?

HON M A FEETHAM:

There has been negotiations with the MOD in respect of further reclamation, Mr Speaker, but not with the Montagu reclamation itself and that is to what the question refers.

HON A J CANEPA:

In respect of reclamation at Montagu, but which goes beyond Montagu? Beyond the original plans?

HON P C MONTEGRIFFO:

What is known in Gibraltar generally as the Montagu Reclamation Scheme, the Government's present plans in that area, extending beyond those original plans has been the subject of recent controversy which the Minister is obviously aware of?

HON M A FEETHAM:

Yes, Mr Speaker, but it would not hold up Montagu at all.

HON P C MONTEGRIFFO:

But obviously Montagu is only the first part of a more ambitious programme and if you start to dump stones in the sea, presumably you are doing it for a development which, if I understand him correctly the MOD has raised objections to. What I want clarified, Sir, is whether the full extent of the project, which commences very soon as far as we are aware, is the subject of some difficulty or whether the reprovisioning has been arranged.

HON M A FEETHAM:

Mr Speaker, there is no objection from the Ministry of Defence. What we are discussing are the boundaries of the reclamation and the extent of the reclamation taking into account certain requirements for reprovisioning. It is the extent of the reprovisioning that is the matter under discussion.

HON P C MONTEGRIFFO:

And is it not the case that the extent to which the Government wishes to go effectively means that the MOD have to have reprovisioning of facilities and as far as we are aware an agreement or arrangements have not been finalised for that reprovisioning and my question which has come through a fortuitous route is "Has there been some finalisation of those arrangements?"

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HON M A FEETHAM:

No, it depends on the final extent of the reclamation itself.

HON P C MONTEGRIFFO:

Is that not finalised? I thought the plans had come out and that was quite clear.

HON M A FEETHAM:

Subject to the final negotiations with the MOD, Mr Speaker, on the boundary itself the reclamation will proceed irrespective.

HON P C MONTEGRIFFO:

So what you are saying is that the initial part of the reclamation will proceed since that is not affected by the MOD question. But the MOD dispute or difference could still tailor or cut back the extent of the reclamation the Government would otherwise like to see?

MR SPEAKER:

No, we have to limit the parameters of questions. I think you have been given an answer. In other words there are, perhaps difficulties, on the outer areas of reclamation, but it would not affect the present reclamation and there are still negotiations going on.

HON M A FEETHAM:

The position is that it will not affect the total area of reclamation. It is a question of how we do the area.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Is the Government negotiating with any private interests in order to allow development on the Waterport Coach Park, and, if so, with whom?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

The Government has embarked on a reclamation programme which will produce approximately 185,000 square metres of land for development. This includes an area to the north of North Mole and the Coach Park area. Negotiations are currently in hand with a number of developers covering the whole area. When these are finalised the Government will make known the agreement.

SUPPLEMENTARY TO QUESTION NO. 119 OF 1988

HON A J CANEPA:

Does the Government have in fact any plans to allow development on what is now the Coach Park area?

HON M A FEETHAM:

Yes Sir, as part of the whole development.

HON A J CANEPA:

And when the time comes to allow development there, will the Government undertake to put the site out to tender?

HON M A FEETHAM:

No Sir.

HON A J CANEPA:

Does that mean the Government is going to negotiate directly with private interests?

HON M A FEETHAM:

Yes Sir.

HON A J CANEPA:

And who is going to decide what those interests should be, the Government or an approach made to the Government by interested parties?

HON M A FEETHAM:

The Government Sir.

HON A J CANEPA:

Does the Minister consider that that is the fairest way to proceed with development in Gibraltar?

HON M A FEETHAM:

Judging by past records, yes, Sir.

HON A J CANEPA:

Does the Minister not consider that the Government is in danger of laying itself open to certain allegations, if they proceed that way without what has been traditionally expected to be the fairest way, which is inviting tenders?

HON M A FEETHAM:

No Sir.

HON A J CANEPA:

Does he not consider that that is an arbitrary fashion in which to proceed?

HON M A FEETHAM:

No Sir.

MR SPEAKER:

Next question.

ORAL

NO. 120 OF 1988

15 11 88

THE HON A J CANEPA

Is the Government negotiating with a private developer for the redevelopment of Jumper's Building?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The Government is constantly looking at proposals being put forward by different developers for developing different sites. The policy is not to give details whilst negotiations are taking place.

SUPPLEMENTARY TO QUESTION NO. 120 OF 1988

HON A J CANEPA:

Does the Government therefore, infact, propose to go ahead with development at Jumper's Building?

HON M A FEETHAM:

Yes Sir.

HON A J CANEPA:

I am sure the Minister must be aware that his colleague, the Minister for Housing, has given some indication, in an interview on Radio, that the Government was negotiating with private interests.

HON M A FEETHAM:

Yes Sir, we are Sir. I have tried to make that clear in my answer to his question.

HON A J CANEPA:

And again this is another site which the Government does not intend to put out to tender?

HON M A FEETHAM:

That is correct, Sir.

HON A J CANEPA:

I see, so this is what the Government considers to be the most fair way of proceeding.

HON M A FEETHAM:

Yes Sir.

HON A J CANEPA:

And other private interests, established in Gibraltar who might consider developing that site, how do they get to know that there is a possibility of approaching the Government on the development of a site such as this one.

HON M A FEETHAM:

Sir, in the short time that I have been in office, I have held meetings with every developer, every business concern, anyone that has wanted to discuss development with the Government. The policy of the Government has been explained. Initiative from both sides have been discussed and we feel at the end of the day, the people will judge on the results of the development that will take place and the sort of benefits that the people themselves will get through the Government.

HON LT-COL E M BRITTO:

Mr Speaker, are we then to understand that the position of tenders has gone by the board completely?

HON M A FEETHAM:

Virtually, Sir.

HON A J CANEPA:

Are we then to understand that following the Minister's contacts with developers etc, which he has expounded, the system now is that on the initiative from individuals or developers, a decision is then made by the Minister or Council of Ministers on whether that development goes ahead?

HON M A FEETHAM:

Sir, we will decide on our own development plans, what ought to take place or what should be built on a piece of land or we will look at proposals which have been submitted and we will decide what are the best proposals taking into account the interests of the people of Gibraltar.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Will the Government state what is the position regarding the transfer from the MOD to Government of the Queensway site?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

If I may, Mr Speaker, I shall answer Questions 121 and 122 jointly as they are very closely related. The Queensway site was transferred by the MOD on 1 June 1988 and work on the site is expected to commence in the very near future. No substantial departure from the original tender plans are envisaged as the hotel, casino, marina and residential apartments originally proposed are all being retained in the scheme.

SUPPLEMENTARY TO QUESTIONS NOS. 121 AND 122 OF 1988

HON A J CANEPA:

Has the problem of compensation for one of the tenants, a NAAFI or an MOD tenant, been resolved?

HON M A FEETHAM:

Mr Speaker, negotiations are taking place at this point in time with a view of resolving that particular problem.

HON A J CANEPA:

Is the payment of public funds going to be involved, or will the Ministry of Defence make themselves responsible for any possible compensation?

HON M A FEETHAM:

We have accepted transfer of the land known as Queensway and the Government will be settling all outstanding problems regarding that particular development.

HON A J CANEPA:

Is the Minister saying that the Government has accepted the transfer as from the 1 January this year, with a tenant in situ? That is the position?

HON M A FEETHAM:

Yes Sir.

MR SPEAKER:

Next question.

ORAL

NO. 122 OF 1988

15 11 88

THE HON P C MONTEGRIFFO

Can Government confirm when the Queensway project is scheduled to proceed and what amendments, if any, have been made to the original tender plans?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

This question was answered together with question No. 121.

THE HON A J CANEPA

Mr Speaker, I think I have the answer to this Question already. However, is it part of the Government's policy to invite tenders in respect of major housing projects and other major development projects?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

No Sir.

SUPPLEMENTARY TO QUESTION NO. 123 OF 1988

HON A J CANEPA:

Therefore the Government does not accept that a sense of fairness and natural justice demands that tenders should be invited, is that so?

HON M A FEETHAM:

Sir, if one is to judge that the Rosia Development went for £245,000.....

MR SPEAKER:

Order.

HON A J CANEPA:

Mr Speaker, I am asking the Minister questions, will he please answer my question? I have not raised the question of Rosia.

HON M A FEETHAM:

I have raised it by answering back in that similar vein.

HON A J CANEPA:

Then the Minister is not answering my question. What the Minister is saying is that the Government are going to go ahead and dispose of prime sites in Gibraltar. They are going to dispose of land in which ever way they consider and they will just leave the electorate to be the ones to judge ultimately? There will be no involvement of any other procedures other than what Ministers themselves decide. Is that the position?

HON M A FEETHAM:

That is the Government's policy.

HON A J CANEPA:

And does the Minister not realise that he and his Government are opening themselves to very serious allegations of possible malpractice in future? That this is likely to happen? Unless the public know that that is not so and do they consider that that is good for them?

HON CHIEF MINISTER:

Mr Speaker, I am touched by the concern that the Leader of the Opposition has for what is good for the GSLP and for the Government. He is clearly worried that we might be accused of what, he knows the AACR was accused of for many years, notwithstanding the fact that they had tender procedures. We have had many situations where land has been sold, the Casemates triangle, that went for £110,000 and then the company that bought it resold it for several millions. It is obvious that in the past tender procedures have not protected the Government from not getting the best development for the place. The position of the Government now is that we see no advantage other than the delay of projects, which is all that has ever happened in the past as far as we can tell, in terms of ascertaining what is the best deal. At the end of the day we do not think that a group of people sitting in the Tender Board are going to be better at deciding what is the best deal than we are and we carry the political responsibility anyway, even if it is decided by a Board. Whoever gets the tender it will still be the Government that is answerable. So it is now clear that it is a situation where the Council of Ministers takes the decision. If we make a mistake then we bear the responsibility for that mistake. If we make the right decision then we take the credit for it. It will certainly be on the basis that we welcome any proposals that anybody has, both within Gibraltar or outside Gibraltar, to come to us with an idea, which we assess if it will be beneficial to Gibraltar's economy and if it is we will support it.

HON A J CANEPA:

How is a judgement going to be made, Mr Speaker, on whether they have made a mistake, if they do not in fact, know what other options there are?

HON CHIEF MINISTER:

Mr Speaker, what we are talking about is a situation where clearly one can say today, was it not a mistake to allow the so called Multi Storey Car Park at the entrance of Main Street, which most people think is a monstrosity, notwithstanding the fact that it went out to tender. The fact that you choose somebody in a tender, does not mean that it is not a mistake. There are people who complain that when the tender went out, it was a tender for a multi-storey car park, not for a multi-storey/office building and shopping complex with car parking spaces in it. So all the arguments that the Honourable Member is using are

irrelevant as to whether the way of selection is done by tender or by some other way. The position at the moment is that what we are still putting out to tender are small plots of land for development by individuals under the homeownership scheme by Gibraltarians and others who are resident in Gibraltar. However, even there, if we have an architect or a local firm that comes to us with an idea that we find is quite an attractive one, we will not turn it down just because it has not gone to tender.

HON A J CANEPA:

Is the Chief Minister saying or implying that they are not going to allow multi-storey development in Gibraltar?

HON CHIEF MINISTER:

On the contrary, I am saying we will, but it will be decided by us, and not by a tender. That is what I am saying.

MR SPEAKER:

Next question.

THE HON LT-COL E M BRITTO

What is Government's policy regarding the payment of Stamp Duty by purchasers in the Vineyard's Housing Project?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, representations have been made to the Government by the purchasers of Phase I of Vineyard Housing Project, I think they raised the issue during the Election Campaign, that they should be exempt from Stamp Duty on the purchase of their property. These Purchasers bought their property at well below existing market value because the land was provided for £100 but no restrictions on re-sale prices exist contrary to what has been claimed. The position of the Government is that any policy on Stamp Duty would have to apply to everyone and could not be limited to one group or part of one housing project and without regard to ability to pay. The representations made are being considered against this background.

SUPPLEMENTARY TO QUESTION NO. 124 OF 1988

HON LT-COL E M BRITTO:

I think as the Honourable Chief Minister says that the matter is being considered and has been considered since as far back as March 1988 when the purchasers of Phase 1 wrote to the new Chief Minister. I also understand that the process is near completion. Is it likely to be completed before a decision is made?

HON CHIEF MINISTER:

No, those concerned will be given an answer before the thing is completed.

HON LT-COL E M BRITTO:

Is the Chief Minister aware that the argument by the first phase purchasers extends slightly more than he has indicated. They feel that because of the extra delays that they have endured that they have lost out in the amount that they have invested to the tune of, I think, a figure of £1,500 was quoted to me, and that is one of the grounds that they are asking for the waiving of the Stamp Duty.

HON CHIEF MINISTER:

Well, Mr Speaker, what I am aware of is that one of those, this particular week is conducting the resale of his apartment at 100% profit, and I can see little argument for exempting somebody who is making 100% profit from Stamp Duty.

HON LT-COL E M BRITTO:

And is the Chief Minister content to penalise all the purchasers because of one.....

HON CHIEF MINISTER:

No, they are not being penalised at all, Mr Speaker, because they are not being asked to pay something that nobody else is paying in Gibraltar. They are asking to be treated differently from the rest of Gibraltar. The people in the second phase who do not have the advantage of the first phase in getting the land for nothing have not asked for this. I have no doubt at all that if the Government agreed to give it to Vineyards, it would have to give it to everybody. Because I can see no argument for saying that if they happen to have bought a place in Vineyards in the first place, even if the place was delayed, you should not have to pay Stamp Duty which is a legal requirement for every conveyance. So I think we have to look at it on the basis, that if they are going to exempt somebody from what is a legal requirement or a tax or a duty, you need to take into account their ability to pay and secondly you need to take into account to what extent the paying or the non paying is a significant difference to the commodity that they are buying and the reality of it is that these flats are worth today considerably more than what they paid for, notwithstanding the delay and I think the houseowners if they change their mind and wanted their money back would have no problem at all in getting a deal.

HON LT-COL E M BRITTO:

Is the Chief Minister aware that of their own volition and at their own initiative they have agreed to extra clauses being put into the agreement to curtail their ability to sell those houses, except I understand, to people within the housing list. This has come from them and is why they are asking for Stamp Duty in return.

HON CHIEF MINISTER:

I am not aware that that is the case. I have heard the claim being made, but I can tell the Honourable Member that we have investigated, as a Government, ways of limiting the resale of this because in fact it is quite obvious to us that the previous administration gave this piece of land for £100 after it went to tender, on the basis that it was going to be low cost housing for local people, who would not be able to buy in the open market. The case that I mentioned earlier is not going to be to somebody who is on the housing waiting list and that is happening this week. So that restriction clearly is not there and there is no restriction on the resale prices, so in fact you have a situation where the people who buy from the developer have to pay for the land, if they pay the developer more money, but the people who buy from somebody else who has bought from the developer do not have to do it. We recognise that those conditions that were put, initially, by the Government clearly had flaws in them,

which have come to light subsequently, and what we are doing is making sure we do not repeat the same mistake. I know what the Honourable Member is referring to and all I can tell him is that we have heard it alleged but we have investigated and it does not seem to be compatible with the reality of the contracts that they have got.

HON LT-COL E M BRITTO:

All I can say to the Chief Minister is that I have it from the authority of one of the leading.....

MR SPEAKER:

No, with respect, we must have questions.

HON LT-COL E M BRITTO:

Will the Chief Minister accept that I have it on the authority of one of the persons who is negotiating.....

HON CHIEF MINISTER:

No.

HON LT-COL E M BRITTO:

If I can finish, if my information is wrong, I stand to be corrected. But my understanding, and I hope that the Chief Minister will accept this, is that the first phase purchasers were prepared to allow a clause to be inserted into the Agreement which would curtail their rights of resale in exchange for the Stamp Duty. If this is not so, I stand to be corrected. Will the Chief Minister accept that the reason that stamp duty should be paid.....

MR SPEAKER:

No, no, we are prolonging. Next question.

HON J L BALDACHINO:

Mr Speaker, I think I have to answer a point raised by the Honourable Member. On the Agreement there is a clause which says that purchasers or prospective purchasers can only sell to people who are eligible for Government housing. They do not have to be in the housing waiting list. There is also an element in the licence agreement or in the agreement between the developer and the purchaser which at the moment we are disputing because the purchasers in Vineyards can even underlet and therefore the Government is not prepared to look at Stamp Duty where persons may be buying a property and then underletting. So all these things will have to be looked at before we can even make a decision.

MR SPEAKER:

Next question.

ORAL

NO. 125 OF 1988

15 11 88

THE HON A J CANEPA

Will the Government undertake to provide adequate premises for the Drug Rehabilitation United Group (D.R.U.G.) to enable them to resume the important work that they were carrying out in this vital area of social concern.

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

Sir, it is difficult to establish what is adequate premises particularly in instances such as the case in question. Our understanding is that what is required should have no link with Government or other authorities. However if we can help we will.

SUPPLEMENTARY TO QUESTION NO. 125 OF 1988

HON A J CANEPA:

My understanding, Mr Speaker, of what are adequate premises to enable this vital work to be carried out is that, eg a three room flat at Varyl Begg Estate in one of the blocks at the Estate would be inadequate because of the nature of the rehabilitated work which is.....

HON CHIEF MINISTER:

A three room flat at Varyl Begg is in very short supply!

HON A J CANEPA:

Has the Minister approached the Ministry of Defence, who in the past were endeavouring to be helpful, in trying to locate such a place.

HON M A FEETHAM:

No Sir. In all honesty I have not had an approach on this matter, though I understand it has been raised, but I am sure that if a case was made to the Government then we would definitely look at it.

HON A J CANEPA:

My information, Mr Speaker, is that they have been in touch with Government Ministers, it may not be with the Honourable Mr Feetham, but perhaps other Ministers, may be the Minister for Housing has been approached. The position when we left office was that the Ministry of Defence were trying to help and perhaps the Minister should approach them directly or through His Excellency the Governor, who was also taking an interest and endeavouring to be helpful in this matter. From the point of view of the Government itself, what we were trying to do in the past, was to

identify suitable independent quarters, in other words, as far away as possible from residential areas because of the nature of the work involved. I am however surprised that the Minister does not know that those concerned have been endeavouring to obtain premises from the Government for some time.

HON M A FEETHAM:

What I have said is that we will certainly help in any way that we can. I have been told that during the course of the last few days there has been an initial contact with the Ministry of Defence, in my absence, and perhaps something will come out from there.

HON A J CANEPA:

I wonder if the Minister for Housing could be more forthcoming.

HON J L BALDACHINO:

Mr Speaker, there has been an approach to the Ministry of Defence to try and find a suitable location, more than anything else, for the Drug Rehabilitation Group so that they could have place to meet. **At the moment** it is very low key, in other words, they have not come back and said "here is a place". We have gone and seen a couple of places but nothing concrete has come out of it as yet. I think the MOD is willing to help in providing us with premises that we can then allocate to the Drug Rehabilitation Group.

HON A J CANEPA:

Will the Government accept a commitment, in principle, to try to help this group of people who are doing reallling sterling work, doing sterling work at no cost to the taxpayer.

HON M A FEETHAM:

Sir, I have given that indication in my original answer.

HON A J CANEPA:

I am grateful.

MR SPEAKER:

Next question.

ORAL

NO. 126 OF 1988

15 11 88

THE HON K B ANTHONY

What plans does the Government have for the Poca Roca Isolation hospital site?

ANSWER

THE HON THE MINISTER FOR HOUSING

Sir, the immediate plan is to convert the site into 6 units of rented accommodation for a medium term rather than allow the building to be vandalised into a ruin. Active consideration is being given to future long term plans of the area. The conversion works are well advanced and it is expected that the housing units will be completed within 4 to 6 months.

SUPPLEMENTARY TO QUESTION NO. 126 OF 1988

HON K B ANTHONY:

Are there any plans to expand further than these six units into a mini-estate in that area?

HON J L BALDACHINO:

Government is looking at the possibility of adding some other units to the complex but not many more, Mr Speaker.

MR SPEAKER:

Next question.

THE HON A J CANEPA

How many meetings has the Development and Planning Commission held since the Government took office and how often does it normally meet?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Sir, there have been eleven meetings of the Development and Planning Commission since it was reconstituted in May 1988. Meetings take place on a fortnightly basis.

SUPPLEMENTARY TO QUESTION NO. 127 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, is the Minister aware of the fact that there are considerable delays being experienced by persons seeking development licenses. These delays are either from the Government, as landlord, or by the DPC.

HON M A FEETHAM:

Mr Speaker, and I would venture to say that most of the difficulties arise from the stage of drawing up the licence agreement and they arise from the developers in sometimes not being able to provide promptly the information that is required.

HON P C MONTEGRIFFO:

My information is quite different, my information is that matters have been lodged for some time with the Departments and there are no replies particularly on building licences.

HON M A FEETHAM:

Can the Hon Member be more specific about which particular licences he is talking about, Mr Speaker?

HON P C MONTEGRIFFO:

Well I am not going to raise specific cases, but I do raise the general anxiety which has been expressed to me on a number of occasions.

HON M A FEETHAM:

Well I am not aware of this, Mr Speaker.

HON A J CANEPA:

Mr Speaker, I can confirm this and will the Honourable Minister accept that we have received representations that

there are delays in dealing with applications for both planning and building permission. This is why I asked how many meetings had been held. The Minister says that they meet fortnightly. In fact eleven meetings since the end of March this year would not indicate that the meetings are being held fortnightly. Eleven meetings amounts to very much less than that.

HON M A FEETHAM:

I said since May, Mr Speaker.

HON A J CANEPA:

Since May, the first meeting was held in May? Did the backlog then build up during those two months when no meetings were held?

HON M A FEETHAM:

Most of the backlog has been cleared, Mr Speaker, and I think I ought to say that one of the problems that we solved immediately on taking up office was that the whole planning and development process in Gibraltar which was completely disjointed. We have taken the planning and the development sides out of the PWD and brought them directly under the control of my Ministry and this is avoiding the duplication which had been taking place in the past. My impression is that, although I have not got it as well as I would like it to, there has certainly been a major improvement and the opinion that I have from developers generally is that things are much better. They are still not as good as I would like to see them, and there are still a number of officers to be seconded in the near future as a further step towards improving the department. If the Hon Member cares to raise with me any particular developments or licence agreements I will certainly take them up.

HON A J CANEPA:

Will the Minister accept if I tell him that we have no doubts about the efficiency and the confidence of the professional staff involved in the Crown Lands Department and that our raising the matter is in a desire to be constructive. There is this concern and we are bringing it to the notice of the Minister. I think my colleague has got specific information which he will make available to the Honourable Member. Will he try to do everything possible to expedite matters?

MR SPEAKER:

Next question.

THE HON LT-COL E M BRITTO

Which Government buildings is it Government policy to:

- a. Demolish; and
- b. refurbish substantially?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

It is Government policy to demolish all buildings that are not considered economic for refurbishment.

SUPPLEMENTARY TO QUESTION NO. 128 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, I do not think that in any way goes anywhere near answering the question.

HON P C MONTEGRIFFO:

Mr Speaker has the Government, at present, identified any properties for either demolition or for refurbishment? In other words are there concrete plans today for refurbishment or for demolition?

HON J C PEREZ:

Mr Speaker, it very much depends on what Honourable Members are aiming at through this question.

HON LT-COL E M BRITTO:

Can the Minister be more specific?

HON J C PEREZ:

Well I will say specifically that in Richardson's Passage there is a building which has had severe problems and which is going to be refurbished. However that is not the only one, there have been refurbishments of housing properties going on all summer and I can give him a list.

HON LT-COL E M BRITTO:

I thought the question was explicit enough, but obviously it is not. Mr Speaker, in the first session of the House I asked questions specifically on Government housing and I was told that it was Government policy to demolish. Subsequent to that the Honourable Minister for Housing has on Radio and/or Television mentioned Government policy of demolishing and re-developing housing and my question, and I was hoping for a detailed answer in writing if not verbally.....

MR SPEAKER:

You are making statements, with respect, you must ask questions.

HON LT-COL E M BRITTO:

The question I am asking from the Minister is to give me, in detail, those properties that Government has identified for demolishing or if not for demolishing then to substantially refurbish?

HON J C PEREZ:

Mr Speaker, by refurbishment, is the changing of a roof in a house a refurbishment or not?

HON LT-COL E M BRITTO:

Major, substantial.

HON J C PEREZ:

We can provide a list of all the refurbishments that have taken place in the summer.

MR SPEAKER:

I think that what the Opposition is trying to obtain is purely a list of those buildings that Government intends to demolish and a list of those properties that Government intends to refurbish. It is as simple as that. If you cannot give it now, you can promise to provide it later on.

HON J C PEREZ:

There is no such list. A survey has not been carried out on all buildings and we have decided that so many are for demolition and so many go for refurbishment. I can tell the Honourable Member that once the Police Barracks are vacated they have been earmarked for demolition. I can also tell the Honourable Member that Jumper's Building is earmarked for demolition but I cannot give him a specific list of all properties in Gibraltar, if that is what he is asking for.

HON J L BALDACHINO:

Mr Speaker, I think the Honourable Member is aware that Jumper's Building, 30 Castle Road, which is a Police Barrack, and Rodger's Road are to be demolished.

HON LT-COL E M BRITTO:

Mr Speaker the answer that I was given was the answer to a specific question on what Government's policy was in respect of Police Barracks, on the building at the Gorge

and Rodger's Road and I was given specific answers on those three. Subsequently the Honourable Minister for Housing on Radio and TV mentioned other buildings, so all I was asking for was a list of those buildings that the Government had up to now identified either for demolishing or for substantial refurbishing.

MR SPEAKER:

Is the Minister in a position to give such a list. Has the Government identified properties that it intends to refurbish and the properties you intend to demolish?

HON M A FEETHAM:

Mr Speaker, as already stated, the answer is no.

MR SPEAKER:

Then that is the answer. Next question.

ORAL

NO. 129 OF 1988

15 11 88

THE HON A J CANEPA

Will the Minister for Trade and Industry state what is the legal position of the proposed new road in the Upper Rock vis-a-vis the 1976 City Plan ie the City Plan currently in force?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

Sir, the proposed new road is compatible with the 1976 City Plan.

SUPPLEMENTARY TO QUESTION NO. 129 OF 1988

HON A J CANEPA:

Is the Minister then stating categorically that they can proceed with this road without infringing in any way the provisions of the City Plan?

HON M A FEETHAM:

Yes Sir, it is compatible with the 1976 City Plan.

HON A J CANEPA:

Is that legal advice that he has obtained from the Government's Legal Adviser?

HON M A FEETHAM:

I am sure of my position, Mr Speaker.

HON A J CANEPA:

Is that view backed by the Attorney-General? Has the Minister confronted the Attorney-General?

HON M A FEETHAM:

I have found no reason to, Mr Speaker.

HON A J CANEPA:

I will advise him to do so, Mr Speaker, if I may be so bold. I think he ought to clear his decks before he does so, before he goes ahead with the plan, I think he had better find out from the Attorney-General what the position is. He may be right, the Attorney-General may agree that it does not infringe the City Plan. Otherwise they may find they have to alter the City Plan. Perhaps the Minister could check and consult the Attorney-General. Perhaps by the 28 November when we come back he might be in a position to make a statement.

HON M A FEETHAM:

Only when we are ready to proceed with the road, Mr Speaker.

HON A J CANEPA:

I know, Mr Speaker, that there is no tendency these days to have Judicial Reviews because those organisations are now virtually defunct.

MR SPEAKER:

Next question.

ORAL

NO. 130 OF 1988

15 11 88

THE HON K B ANTHONY

Has the Government given any consideration to the possibility of constructing a road through the area known as "The Jungle" in order to de-congest the Upper Town area, and in particular, traffic to and from the Moorish Castle Estate?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

No Sir, the Government has not given consideration to this scheme.

Consideration was given by the AACR in the past to the possibility of constructing a road through the area known as "The Jungle". The previous Government concluded that it was not economically viable because it would involve the provision of a larger access through the fortification walk and a bridge over the Casemates area linking the Jungle area to the Smith Dorrien Avenue. The order of cost in 1984 was of £2.15m and was based on a Report by the Royal Engineers produced in 1972.

SUPPLEMENTARY TO QUESTION NO. 130 OF 1988

HON K B ANTHONY:

So the Honourable Minister agrees with the decision made by the previous AACR administration?

HON J C PEREZ:

On this occasion yes.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

Will Government undertake to consult the public fully prior to entering into any firm commitments for new major developments, whether on reclaimed land or otherwise?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Mr Speaker, we will make public, agreements for developments, whether on reclaimed land or otherwise when they have been entered into in accordance with established practice.

SUPPLEMENTARY TO QUESTION NO. 131 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, I am quite frankly a little disappointed. Does the Government not consider, bearing in mind its policy of open Government and bearing in mind the extent of controversy, legitimate controversy, which is generated in Gibraltar when any new development takes place particularly in the case of major developments that there should be a public consultation procedure undertaken before contracts with developers are tied up? That some form of public consultation so that people get a chance to say whether they wish to see an East side development or a particular type of development where the Government Secretariat now is? Does the Government not accept that this is fair in an open Government and in a democratic situation?

HON M A FEETHAM:

Mr Speaker, first of all I am not aware of any controversy and secondly I am also not aware of any controversy at the time that the previous administration gave Wimpey Tricon a licence to do a feasibility study for the development of the East side.

HON P C MONTEGRIFFO:

Mr Speaker, we have been living in a different Gibraltar. What was the controversy over Casemates, what was the controversy.....

MR SPEAKER:

We are not debating. We are asking questions. You are entitled to ask whatever questions you like, nothing else.

HON P C MONTEGRIFFO:

Does the Government not consider in the light of past controversies on other developments such as Casemates,

Cornwalls Parade and Rosia Plaza that to proceed on major developments, both within existing land areas and in reclaimed land, is a foolhardy way of proceeding, in particular, since we no longer have tenders, which ensured an element of public participation, in at least the information getting out and which is not now possible. In view of this does the Government not accept that this type of development is totally contrary to the open approach development where people can be consulted on what type of Gibraltar we are going to have in five, ten or fifteen years time.

MR SPEAKER:

You have asked your question. If you carry on we will forget even the question.

HON M A FEETHAM:

I am not quite sure what he was asking, but I can tell you that the answer is no.

MR SPEAKER:

The question is simple. You are being asked whether the Government feels that the public in general should be consulted before any particular development in Gibraltar is proceeded with, whether on reclaimed land or otherwise.

HON M A FEETHAM:

Mr Speaker, I said in my original answer that we would do so in accordance with established practice and we are quite satisfied with the way we are handling our policy.

HON P C MONTEGRIFFO:

Is the Government therefore saying that the public should not have a greater say and be consulted in what is going up or which development is being proceeded with?

HON M A FEETHAM:

Mr Speaker, we will make known our development plans in accordance with established practice, and bearing in mind the question of town planning, etc in due course. Be patient.

HON A J CANEPA:

Is the arrogance of power such, Mr Speaker, in seven months, that the Minister feels that they can now give a totally contrary impression to the concerned approach which they had in Opposition, on matters to do with planning and development, when they backed every controversy that came up, against the then Government? The impression they gave then was that they would do things differently.

HON CHIEF MINISTER:

The arrogance of power is one which the Honourable Member opposite is clearly well qualified to talk about, it seems to me that he has taken the arrogance with him when he crossed the floor. All I can tell him is that we do not appear to be having problems in implementing our policies and we are not facing controversies or opposition and therefore as far as we are concerned if the law says we have got to publish something then we will do what the law says, otherwise our position is that we go ahead and take decisions for which we take full responsibility and we intend to be judged by our results. It does not make any difference what he tries to make out of it, he cannot make, Mr Speaker, as far as I am concerned, an issue where there is not one, and there is no issue.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Will the Minister for Trade and Industry undertake to consult the Gibraltar Ornithological and Natural History Society regarding the Government's proposals to construct a new road in the Upper Rock and will he further undertake to take full account of their comments about any possible adverse effects on the Rock's fauna and flora, before proceeding with this project?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Yes Sir, but on the clear understanding that the ultimate decision rests with the Government.

SUPPLEMENTARY TO QUESTION NO. 132 OF 1988

HON A J CANEPA:

Well I would hope that the ultimate decision will rest with the Development and Planning Commission, which is the body that ought to consider such a proposal on planning grounds, assuming that it is legal to go ahead and do so. Is the Minister aware that I am asking this question in a constructive spirit, because there was once a proposal which originally emanated from the Royal Engineers, and which he may not know about. This proposal was taken on board by, shall I call them planners, within the Government departments to have a road constructed from Jews Gate to St Michael's Cave and that the Development and Planning Commission, abandoned that project because of the input received from the Society on the ecological disturbance that it would cause, does he know about that?

HON M A FEETHAM:

That the Development and Planning Commission had rejected...

HON A J CANEPA:

They abandoned a proposal from a Government Department, to be considered on planning grounds, as a result of input from the Society on the very serious ecological disturbance which it would cause on the Upper Rock.

HON M A FEETHAM:

No I am not aware that that is the position.

HON A J CANEPA:

Will he then invite the Ornithological Society to approach him on this matter, perhaps even to address the Development and Planning Commission. We do not have very clear details on the location of a road, but there is sufficient

indication, I think for the matter to be brought to the notice of the Commission, and if need be to the notice of the Government as well.

HON M A FEETHAM:

Mr Speaker, as far as I am aware, the Secretary of the Society is in constant touch with the Planning Department and we are expecting a fully documented case, on behalf of the Society, to be presented to the Government and then the Government and the Planning Commission will make a decision accordingly.

HON A J CANEPA:

A documented case on the proposed road?

HON M A FEETHAM:

No, a documented case, from the Society with regard to the fauna, flora etc on the Upper Rock.

HON A J CANEPA:

But will he keep in mind the points that I have brought to his attention, as an amateur on ornithology, I know a little bit about what I am talking about and I can assure the Minister that depending on the location of the road it could cause serious disturbance.

HON M A FEETHAM:

Yes, Mr Speaker.

MR SPEAKER:

Next question.

THE HON LT-COL E M BRITTO

Will Government make a statement of policy on the system it intends to introduce to control the sale and resale of Governemnt and private housing units which are:

- a. already in existence,
- b. under development,
- c. projected for the future?

ANSWERTHE HON THE MINISTER FOR HOUSING

As regards (a) and (b), these are already held on lease or license terms. We are trying where ever possible to rectify the known ineffective terms of these contracts when it comes to these controls, but are handicapped in our endeavour by the existence of these contracts. As regards (c) I have already announced publically the different criteria that will be used for closed and open market development I will be pleased to hand over a copy of the information released to the Hon Member for his information.

SUPPLEMENTARY TO QUESTION NO. 133 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, I would welcome a copy of the release, because as the Cheif Minister indicated earlier on there are mis-quotes in the press and so on. However, can I ask the Minister for Housing whether in the system he intends to introduce for the 500 units of low cost housing, the system of resale that he will allow.

HON J L BALDACHINO:

Mr Speaker, the 500 units, whether it is 500 units or whether it is a 1000 units, the figure is immaterial. The question is will they fall in the category of a close market or an open market. The closed market has certain restrictions, basically because in the closed market there will be some sort of subsidy from the Government, for example, Montagu or the West Side which although a private development it is subsidised either by land or by infrastructure, such a subsidy will fall under the closed market and therefore under that category will have exactly the same restriction.

HON P C MONTEGRIFFO:

Will the Minister confirm in the case of the open market scheme, could he clarify how the sale of properties through the homeownership unit or Crown Lands Department will in fact be effected, how is that going to work?

HON J L BALDACHINO:

Mr Speaker, I think I know what the Honourable Member is after, in the open market where the developer has paid a full premium for the land or has made a different agreement with the Government there will be no restrictions. The only condition that will be attached is that it has to go through the homeownership unit. Therefore we can nominate, and the idea behind this, is so that those families living in Government rented accommodation will get a preference. That is the only condition that is attached to the open market.

HON P C MONTEGRIFFO:

Mr Speaker, what arrangements have been made, in the light of the Minister's answer, with Estate Agents, for example, can we have clarification how an Estate Agents role is affected.

MR SPEAKER:

No, no way.

HON P C MONTEGRIFFO:

But the Minister is prepared to give an answer.

MR SPEAKER:

No. You cannot expect Ministers to give details now of how something which is going to be built in three or four years time is going to be handled under the guise of a question. At the proper time Government will make a statement of policy and then you can ask specific questions.

HON P C MONTEGRIFFO:

It is on a private housing unit already in existence.

MR SPEAKER:

Yes, but with respect, you are talking about policy matters and you are asking questions as to how Estate Agents are going to handle houses that have not yet been built. Next question.

ORAL

NO. 134 OF 1988

15 11 88

THE HON LT-COL E M BRITTO

Will the Minister for Housing state the expected selling price of flats in the Brympton Housing Project?

ANSWER

THE HON THE MINISTER FOR HOUSING

The Government is currently negotiating with the developer a new package in an attempt to ensure, as far as possible, that the prices are kept within the selling brackets originally envisaged.

A completion of these negotiations is expected shortly and a suitable public announcement will be made at that time.

SUPPLEMENTARY TO QUESTION NO. 134 OF 1988

HON LT-COL E M BRITTO:

Does the Minister expect to succeed in containing the price?

HON J L BALDACHINO:

Mr Speaker, if the Minister is in negotiation precisely to do that, he expects to succeed, otherwise he would have pulled out of the negotiations already.

MR SPEAKER:

Next question.

THE HON LT-COL E M BRITTO

Will the Minister for Housing state the expected selling price of flats in the second phase of the Vineyards Housing Project?

ANSWERTHE HON THE MINISTER FOR HOUSING

Prices charged in the second phase of the Vineyard Housing project are not a matter for which any member of the Government has ministerial responsibility. The contract granted to the developer gave him the freedom to increase prices provided a penalty of 50% of the price increase was then paid to Government in respect of the land which has originally been granted for a nominal sum of £100. However I am prepared to provide information which has been provided by the developer and which is as follows:

TYPE A	£55370 54620	TYPE D	£55370 54620
TYPE B	£46950 46200	TYPE E	£47950 47200
TYPE C	£52870 48120	TYPE F	£52870 52120

SUPPLEMENTARY TO QUESTION NO.135 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, do these prices include the much talked about penalty factor?

HON J L BALDACHINO:

Mr Speaker, I have already answered that. Yes they do include the penalty factor.

HON LT-COL E M BRITTO:

Is it Government's policy to refund the proportion of the penalty to would be purchasers?

HON J L BALDACHINO:

No, Sir.

HON LT-COL E M BRITTO:

Mr Speaker, I understood from press reports earlier today that the Minister had asked for a deferment of one week on the completion of the agreements and that this was one of the factors concerned, am I totally wrong?

HON J L BALDACHINO:

The Honourable Member is not totally wrong and the Press is not totally right in what they said. The Government is not going to refund, the Government had approached some of the buyers with the intention of giving them a loan, to help them in buying a flat. What the Government is not prepared to do, and I want to make this clear, is to support those who are speculating with their property, because there is no restriction. The Government is prepared to help those who are willing to take up the offer and the offer is open to everybody.

HON LT-COL E M BRITTO:

Mr Speaker, does the Minister not accept that it is totally unfair on the purchasers, because the original purpose of the penalty factor has backfired, that Government should pocket to the tune of approximately £5000 at the cost of the purchaser?

HON J L BALDACHINO:

Mr Speaker, the penalty has not backfired, the penalty was a clause that was agreed by the previous administration and is there and it is very clear what the penalty intended to do. The penalty said that if the developer for any reason other than those covered in the agreement, that is to say, by the cost of living, other than by that, if they increased the selling price, then they would have to pay the Government 50% of that. What has happened is that the agreement was so badly drawn up, Mr Speaker, that the developer could increase the price to whatever he wanted and you have to give 50% of the increase back to the Government. I do not think it is unfair that the Government should collect that 50% when there are no controls with regard to Vineyards and people are selling for £90,000, why should the people of Gibraltar pay for that.

HON LT-COL E M BRITTO:

Mr Speaker, the Minister will correct me if I am wrong, but in rough figures. My understanding is that the developer had wanted to increase the price by approximately.
.....

MR SPEAKER:

No, with respect.

HON LT-COL E M BRITTO:

It is a question.

MR SPEAKER:

For the last hour we have been literally debating every single question that has been brought up. I have been tolerant, but I am beginning to get to a stage when I cannot

allow this any further. We will ask specific questions and then be given specific answers. Otherwise we will never end. Members will realise what I am saying when they read their Hansards and I can assure them that it will shock them to see what we have done during question time. We must stick to our rules and that is to seek information but let us not debate.

HON LT-COL E M BRITTO:

I will try to be as specific as possible.

MR SPEAKER:

I know, I realise that it is difficult, but we must be specific.

HON LT-COL E M BRITTO:

Will the Minister accept that the situation is that the developer wants to increase the price by £5000 and because he has to pay 50% of the increase to Government, he is increasing the price by £10,000 so that he pays Government £5000 and keeps £5000.

MR SPEAKER:

That is speculation, with respect, you are asking for Government to confirm what the speculator or what the developer is doing. Whether they do agree or they do not agree, it has nothing to do with it.

HON LT-COL E M BRITTO:

With respect, Mr Speaker, these figures have been made public.

HON CHIEF MINISTER:

Mr Speaker, perhaps I can explain what the Government position is, which is a very simple one. We inherited a contractual situation and like all other contractual situations we stand by it. Where there is a contract which requires us to pay, which we may not like, we have to pay because the Attorney General tells us that we are required to pay whatever the previous administration agreed to pay and I think we are entitled to collect whatever the previous administration agreed to collect. Now the previous administration agreed that they would only charge £100 for the land provided prices were frozen but if prices were increased, then the developer would have to pay for the land, it is not that there is a penalty, it is not that we are putting a tax, it is that there is an agreement which is legally binding. In deference to the fact that some individuals may face a problem because of this the Minister for Housing is talking to the individuals concerned

to see whether he can help those individuals, the purchasers. What we are not prepared to do is either answer for the prices that the developer is putting or not putting or the one that he would have liked to put or would not have liked to put, nor to take any responsibility, as a Government, for his increase in prices. All we are doing is keeping to an agreement that we inherited.

HON LT-COL E M BRITTO:

Will the Chief Minister accept that the proportion of the penalty that the Government is going to recoup could very easily be refunded to the purchaser, if the Government were that way inclined?

HON J L BALDACHINO:

It is what I have been trying to say, Mr Speaker, the Government is precisely doing that. I have been talking to some of the people who intend buying and the Government is looking into giving a loan, we might call it something else, to try to help them in that way.

MR SPEAKER:

We cannot get any further on this question, next question please

THE HON LT-COL E M BRITTO

Will the Minister for Housing explain what he means by the term "Low cost houses"?

ANSWERTHE HON THE MINISTER FOR HOUSING

The term low cost applies to all unit types being built which are sold or offered at prices suitably below known market levels for the respective types.

SUPPLEMENTARY TO QUESTION NO. 136 OF 1988

HON LT-COL E M BRITTO:

Do I understand that to mean that when we call it low cost, we are going to establish a cost that is lower than what it actually costs to build?

HON J L BALDACHINO:

Mr Speaker, it means what it says.

HON P C MONTEGRIFFO:

Mr Speaker, then if I understand the Government's position, the definition of low cost is related to what the market....

MR SPEAKER:

Yes, market level.

HON P C MONTEGRIFFO:

As opposed to what people can afford.

HON J L BALDACHINO:

Well Mr Speaker, it cannot be any other way.

HON P C MONTEGRIFFO:

So if the market in two years time is such that a two bedroom flat costs £100,000, that is the basis that you then work from to determine low cost. You do not say an average Gibraltarian family can afford £30,000 and that is low cost?

HON CHIEF MINISTER:

Mr Speaker, the Honourable Member opposite is talking complete and utter nonsense, because he knows very well that the market is determined by supply and demand, as we do, and he knows that there are more flats now in the pipeline affecting the supply than there has ever been

before in Gibraltar's history. Now the situation is that in determining what is the relative cost of a property, the only way in which to relate it, is whether it is at the top end of the market or at the middle of the market or at the bottom of the market. The bottom of the market at any given time may be beyond the reach of everybody in Gibraltar or well within the reach of everybody in Gibraltar, because that depends on peoples' incomes and not on the commodity. If the Government, independent of whether the property is low cost or not low cost, because when we are talking about cost, we are talking of the relationship between the cost of construction and the selling price, if independent of that at some stage, the Government feels it has to support certain low income groups so that they can afford that property, then that is a separate issue which has not arisen from this question.

MR SPEAKER:

Next question.

THE HON LT-COL E M BRITTO

Will Government state:

- a. the location,
- b. the starting date of building

of the projected 500 low cost housing units?

ANSWERTHE HON THE MINISTER FOR HOUSING

Mr Speaker, I will answer Questions 137, 138, 139 and 140 together.

My Government is committed to the solving of the housing problem over a relatively short period of time and we intend to make a major impact on the housing situation during our first term of office. The situation therefore is that in order to make this major impact we identified, prior to the elections, that at least 500 houses would have to be constructed by the Government in the context of what was then planned in terms of private housing and given the information that was available about the nature of the housing gap. As regards the location and the starting date of the buildings the allocation of the Units once they are completed, the selling prices at which the units will be sold when they are sold and the arrangements to market these units, these are all a series of hypothetical questions which I am not in a position to answer, because, of course, Mr Speaker, the units will be built over the 4 years, they will be built at different periods of time and in different locations. They will be built at different prices and will be sold at different prices. What I can say is that those units that are in fact made available for Government rental will be allocated as is normal on the basis of the Housing Allocations Scheme. The Government however would wish to sell as many of the units as possible since it is the aim of Government policy to encourage home ownership and to achieve a situation where every Gibraltarian family is the proud owner of its own home. Clearly this aim is a very long way off at the moment where the total level of home ownership is very small but the policy of the Government will be to see the proportion of owner/occupiers is on the increase every year. It is therefore the view of the Government that the amount of resources being devoted in this year's budget which at over £2m already is five times the amount that the AACR spent in their last year in offices proves this. The allocation of a £16m budget for housing for the purpose of producing 500 new units over 4 years is an indication of the Government's commitment on this matter and the Government will be announcing projects throughout its 4 year term of office as and when a decision is taken on where to place these units. I am trying to give as comprehensive an answer as possible to satisfy the object of the questions put forward by the Opposition if it is a question of them establishing what the policy of the Government is. I will add that in order to ensure that

whatever the changed circumstances, the Government is in a position to deliver 500 units. The Government has in the negotiations on the West Side project in view of the increased land reclamation taking place and the increase in the number of units that are being constructed taken an option which will enable the Government to purchase up to 558 units on that site if it should decide that that is the most economic way of fulfilling its commitment taking into consideration all the circumstances. The position at the moment is that we can guarantee that the houses will be built because we have an option to purchase within the 1,380 units planned for the West Side project but at the same time we are still pursuing the options originally looked at prior to the election of the feasibility study for the Devil's Tower conversion from industrial to residential use and we are at the same time looking at other potential sites on our own or in partnership with private developers. The clear cut commitment of the Government is that we are trying to reduce substantially the waiting list over the next 4 years and we are reasonably optimistic that with the level of projects that there is now being planned plus what the Government itself proposes to build it will be possible to reduce the waiting list to under 1000 applicants by the end of the 4 years of the GSLP Government which will make the waiting list the lowest it has been for many many years.

SUPPLEMENTARY TO QUESTIONS 137, 138, 139 AND 140 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, I heard the Minister say, on television, not so long ago, that the 500 housing units were going on reclaimed land to the west of Montagu and gave a starting date for next year. In relation to this can he explain how he has now just said that he cannot give us a starting date, that he does not know where they are going to go and that they are still looking at Devil's Tower Road.

HON J L BALDACHINO:

Mr Speaker, during my interview on television, that the Honourable Member mentioned, I was reacting to Action for Housing. I also said, and I hope the Honourable Member not only watches television, but that he also listens to the Radio and reads the press, I said that Action for Housing, at the time, had pre-empted and prematurely come out with a Press Statement which I thought was unfair and was reacting to that. What is clear, Mr Speaker is that they did not have a clear picture and all they had was what I had told them that we had an option to buy West Side.

HON P C MONTEGRIFFO:

The Minister is basically saying that there is no fixed location today for the building of these 500 units?

MR SPEAKER:

No, I do not think he has ever said that. Otherwise we start talking at cross purposes. What the Minister has said is that there are different sites on which these 500 houses can be built. That some had been identified, others have not and therefore he is not in a position to give the information that he has been asked.

HON M A FEETHAM:

Mr Speaker, irrespective of that, we have got an option of 500 houses on the West Side Development Scheme, which we are not building but we will be buying if we exercise that option.

HON P C MONTEGRIFFO:

And as far as commencement date for building is concerned, is the position there again that the Government is not able to determine or to tell us at this stage when that is starting, it will not start during the course of this year, will it?

HON M A FEETHAM:

Mr Speaker, the land has to be reclaimed.

HON P C MONTEGRIFFO:

That is presuming it goes on that land.

HON J L BALDACHINO:

No, Mr Speaker, I think that what the Honourable Member was referring to was the 500 units, those will be on reclaimed land and it will not be starting this year. Obviously because first of all you have to reclaim the land.

HON LT-COL E M BRITTO:

Mr Speaker, can the Honourable Minister clarify what he said about a proportion of the housing being available for rental, was he talking about the 500 low cost units?

HON J L BALDACHINO:

Mr Speaker, let me make it clear, we have not said what percentage will be for rental and what percentage will be for sale. Because first of all we have to look at the market. Obviously we have a commitment in our manifesto. The Units will be either for sale or for rental, but what the Government really intends to do is to sell as many of the Units as possible. We believe in homeownership and we think that people should be able to buy their homes,

however there are those who will not be able to buy, those who are on rent relief who would not take it even if we gave it to them free. For those we have to provide.

HON LT-COL E M BRITTO:

Can the Minister confirm with a clear yes or no that it is intended that a proportion of the 500 low cost housing units will be available for rent.

MR SPEAKER:

With respect, the Minister has replied. The Minister has said that it is a bit too early yet, that they have to work on the needs of the population at the time. There will be some for rental and there will be some for sale.

HON LT-COL E M BRITTO:

So the answer is yes.

MR SPEAKER:

The answer is that they have not made up their minds yet as to how the proportion of the houses will be distributed.

ORAL

NO. 138 OF 1988

15 11 88

THE HON LT-COL E M BRITTO

Will Government explain the basis of allocation of the projected 500 low cost housing units?

ANSWER

THE HON THE MINISTER FOR HOUSING

This question was answered together with Question No. 137 of 1988.

ORAL

NO. 139 OF 1988

15 11 88

THE HON LT-COL E M BRITTO

Will Government state how it intends to establish the selling price of the projected 500 low cost housing units?

ANSWER

THE HON THE MINISTER FOR HOUSING

This question was answered together with Question No. 137 of 1988.

ORAL

NO. 140 OF 1988

15 11 88

THE HON LT-COL E M BRITTO

Will Government state what arrangements it intends to make to market the sale of the projected 500 low cost housing units?

ANSWER

THE HON THE MINISTER FOR HOUSING

This question was answered together with Question No. 137 of 1988.

ORAL

NO. 141 OF 1988

15 11 88

THE HON LT-COL E M BRITTO

Will Government explain the basis of allocation of the projected housing units at the former coach park at Queensway?

ANSWER

THE HON THE MINISTER FOR HOUSING

The allocation of the Housing Units at Queensway Coach Park will be made by the appropriate committee on the following basis:

- A. Long standing applicants in the waiting lists.
- B. Medically categorised cases.
- C. Families who have been living in sub standard accommodation for a number of years.

SUPPLEMENTARY TO QUESTION NO. 141 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, is that the order of priority for allocation?

HON J L BALDACHINO:

Yes Sir.

THE HON LT-COL E M BRITTO

Will the Minister for Housing state how many Waiting List applicants fail to meet the residential qualification requirement?

ANSWERTHE HON THE MINISTER FOR HOUSING

All applicants on the waiting list meet the residential qualification, otherwise they would not be in the waiting list.

SUPPLEMENTARY TO QUESTION NO. 142 OF 1988

HON LT-COL E M BRITTO:

Does the Department under the Minister assure themselves that this is so, if and when the time comes to allocate a house?

HON J L BALDACHINO:

Mr Speaker, normally what happens is that people fill up a form and then return it to the Housing Department. They will also have to state their number in the Register of Gibraltarians. If they have no number they will be directed to the Immigration Department and produce evidence that they are permanent residents. The Environmental Health Department will also have visited their residence to ascertain their living conditions and confirm the persons living there. This is not foolproof but is the only way that we have of finding out if people who apply are really residing in Gibraltar.

HON LT-COL E M BRITTO:

Will the Minister confirm that he has publicly advised people who may not qualify under the residential qualification to contact him personally so that this may not be against their interests on the housing list.

HON J L BALDACHINO:

Mr Speaker, if there are any queries after their sending in the form to the Housing Department and it is rejected, I have invited them to come and see me because as Minister, I am responsible and I like to look into matters.

HON LT-COL E M BRITTO:

No, Mr Speaker, with respect, that is not the thrust of the question and if I can be more specific. Will the Minister confirm that in a GBC Radio "phone in" he was asked whether people living in Spain were disqualified from being on the Housing List and did he not say that

in the case of people who are living away from Gibraltar, as long as they contacted him personally and advised him, that they would be allowed to stay on the Housing List?

HON J L BALDACHINO:

No, Mr Speaker, if I remember correctly I was invited to go on Radio on two Mondays in the second programme, a caller asked what my Government was doing to try and bring back those people who had been forced to go and live in Spain because they could not find rented accommodation in Gibraltar. My reply was that this Government was working very hard to try and bring more housing units into the market to enable these persons to have the opportunity of coming back.

MR SPEAKER:

We will leave it there. You have been asked exclusively "Will the Minister for Housing state how many Waiting List applicants fail to meet the residential qualification". We are not going to debate how and when the Government is going to house people presently living in Spain. Next question.

THE HON LT-COL E M BRITTO

Further to statements made on GBC by the Minister for Housing will he now give an estimate of the number of applicants expected on the Waiting List at the end of 1989?

ANSWERTHE HON THE MINISTER FOR HOUSING

Mr Speaker, the exercise started by the previous Government on the basis of the new qualifying conditions introduced in November 1987 which got underway in January 1988 has still not been completed. As I said in my television interview it is expected that the new waiting list will be shorter than the last one but an accurate estimate cannot be given until all the applications have been processed.

SUPPLEMENTARY TO QUESTION NO. 143 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, the question is in relation to the statement of the lowering of the Housing List by not less than 500 and not more than 1000, as was said on this particular interview by the Hon Minister?

HON J L BALDACHINO:

Mr Speaker, if you bring 500 units into the market it is obvious that the waiting list will have to go down by 500. If that is what the Honourable Member is referring to, then that is the logic, surely.

HON LT-COL E M BRITTO:

Will the Minister accept that what I am trying to do is arrive at a figure, because it is very easy to say "a drop of 500" if you do not say what the starting figure is.

HON J L BALDACHINO:

Mr Speaker, I gave a commitment in this House that once everything was finalised and completed, the Honourable Member would get a copy of the Housing Waiting List. The list is public anyway since it is published outside the Housing Department.

HON LT-COL E M BRITTO:

I thank the Minister although I am aware of that.

MR SPEAKER:

Next question.

ORAL

NO. 144 OF 1988

15 11 88

THE HON LT-COL E M BRITTO

Is it Government's intention to legislate during the current term of office to bind itself in any degree to house any sector of resident Gibraltarians?

ANSWER

THE HON THE MINISTER FOR HOUSING

No Sir.

MR SPEAKER:

Next question.

THE HON LT-COL E M BRITTO

Will Government explain why it was considered necessary to make a complete change in the membership of the Housing Allocation Committee?

ANSWERTHE HON THE MINISTER FOR HOUSING

The term of office of the Housing Allocation Committee ended 31 March 1988, and therefore Government invited other persons to constitute the new Committee.

SUPPLEMENTARY TO QUESTION NO. 145 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, does that mean that the new Government felt unsatisfied with the work of the previous Committee?

HON J L BALDACHINO:

No Sir.

HON LT-COL E M BRITTO:

With respect, Mr Speaker, my question has not been answered, why was it found necessary, not why was it done, but why was it found necessary?

HON J L BALDACHINO:

Because the term of office of the Housing Allocation Committee ended on the 31 March, and the Government, as any other Government might have done, felt that they should nominate new faces once the Committee's term of office had finalised, Mr Speaker, and for no other apparent reason.

HON P C MONTEGRIFFO:

Mr Speaker, the change in the composition of a Committee must be a reflection on the Members who were there before, in some way or other.

HON LT-COL E M BRITTO:

Can I ask the Minister how long the previous Committee had been there? How long the previous Committee had been in existence?

2.

HON J L BALDACHINO:

I have no idea, Mr Speaker, the Committee was appointed by the AACR Administration.

MR SPEAKER:

Next question.

THE HON LT-COL E M BRITTO

With regard to the Medical Advisory Board and the Housing Advisory Committee, will Government state:

- a. Their membership,
- b. the frequency of their meetings,
- c. the number of cases they have pending?

ANSWERTHE HON THE MINISTER FOR HOUSING

The membership is made up as follows:

Medical Advisory Board

Two Medical Practitioners
The Chief Environmental Health Officer
The Housing Officer and
Executive Officer (Housing) as Secretary

Housing Advisory Board

A member of the Housing Allocation Committee as Chairman
A member of the Family Care Unit
The Housing Officer and
The Executive Officer (Housing) as Secretary

The Medical Advisory Board meets monthly or more frequently if required. At the time the new Board was constituted in October 1988 there was a backlog of 90 cases. Since then the new Board has met 3 times and cleared 68 cases. There are at present 28 cases pending.

The Housing Advisory Committee, meets fortnightly, cases pending to date are 8.

SUPPLEMENTARY TO QUESTION NO. 146 OF 1988

HON LT-COL E M BRITTO:

Mr Speaker, will the Minister clarify, did he say in October 1988? Does that mean that there was no Board there since the election?

HON J L BALDACHINO:

No Mr Speaker, there was a previous Board.

HON LT-COL E M BRITTO:

Does that mean that the previous Board had not met since March?

HON J L BALDACHINO:

It meant that the previous Board had not met since April, Mr Speaker.

HON LT-COL E M BRITTO:

Is there any particular reason why this was so, and why ninety cases had accumulated when it would seem that in only two or three meetings, sixtyeight cases were disposed of?

HON J L BALDACHINO:

Mr Speaker, when I was elected and took office on the 25 March the old Board had not met since October, 1987. I then asked my Head of Department to get in touch with the Chairman of the Board and inform him that since there were too many cases outstanding I thought that they should meet. The Board did not meet until April of 1988 then they had three sittings and then when September came round and they have not met again, I had no other alternative but to change the composition of the Board. The Board now meets more frequently and when required.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

Is the Minister for GSL and Tourism now in a position to disclose what further air services to Gibraltar are being negotiated and what are the airlines and air routes being considered?

ANSWERTHE HON THE MINISTER FOR GSL & TOURISM

No Sir, the Government is not in a position to disclose this information at this stage.

SUPPLEMENTARY TO QUESTION NO. 147 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, the Honourable Minister in the last session of the House of Assembly stated that he would be in a position at the end of the summer, we are, in fact, now more into winter, to disclose the details of the air routes and airlines, which he would have approached. Is there any special difficulty in the negotiations which has given rise to this delay?

HON J E PILCHER:

There is no special difficulty or complications that have given rise to delay. What there is, Mr Speaker, is the fact that, before any particular airline commits themselves to a route application, they have to have extensive feasibility studies and this is what they have been doing over the last couple of months. They have been asking for statistics, finding out the potential expansion of the Gibraltar route and doing a series of, as I said, feasibility exercises and they are still not in a position to apply for routes, as yet, or say whether they will or they will not come to Gibraltar. I can assure the Member opposite that as soon as this materialises he will be the first to know.

HON P C MONTEGRIFFO:

I am sure I will not be the first to know. I am sure the Tourism Advisory Board will get to know before I will. However, can the Government give some indication of the timescale they are looking for, for these negotiations, because unless developments of the airport take place on the basis that the Government indicated of the last meeting of the House, obviously other considerations will apply. Is there a timescale which the Minister can now give us as to when he thinks the negotiations will be completed.

MR SPEAKER:

Full stop. You wanted time.

HON J E PILCHER:

Mr Speaker, I might have to seek clarification since there are two aspects in what I mentioned at the last House of Assembly. One was the expansion of the existing Air Terminal and the other one was certain airlines, European and otherwise that were interested in coming to Gibraltar. There is no time factor put on airlines.....

MR SPEAKER:

No, no. You have been asked what is the time element. When do you think you are going to get an answer.

HON J E PILCHER:

An answer with respect to the airlines?

MR SPEAKER:

Yes.

HON P C MONTEGRIFFO:

On both.

MR SPEAKER:

On the airlines first and then on the airport.

HON J E PILCHER:

On the airlines it depends when the airlines conclude their feasibility study. With regard to the expansion of the existing facilities, we are now in the process of finalising negotiations on the Joint Venture of the Gibraltar Airport and we will be in a position within the next couple of months to have more information.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Mr Speaker, is Mr Peter Simonis still a member of the Board of GSL or has his appointment now been terminated, as indicated by the Minister on the 29 April, 1988?

ANSWERTHE HON THE MINISTER FOR GSL & TOURISM

As I explained in answer to Question No.50 of 1988 Mr Simonis is still a member of the Board of GSL and will remain so until the Board of GSL feels that Mr Simonis's background is no longer required. However, I must stress that Mr Simonis's contributions to the Board are of value and therefore, since no major expense is met by the Company, it might be in GSL's interest to retain him as a Director for the time being.

SUPPLEMENTARY TO QUESTION NO. 148 OF 1988

HON A J CANEPA:

Did not the Minister say in answer to supplementaries, during Question 15 and I quote "it is expected that Mr Simonis will remain a Member of the Board for the next three or four meetings. I would say towards the end of this year". What the Hon Minister meant by towards the end of this year was that he would no longer be a Member towards the end of this year.

HON J E PILCHER:

What I said, Mr Speaker, was that the Board would review the position at the end of the year. We are still not yet at the end of the year and there is a Board Meeting scheduled in three weeks time, in fact. The position will be reviewed, but I thought I should advise the Opposition that since Mr Simonis's contribution is still of value, and because there is virtually very little expense to the Company, it might be of value to GSL to keep him on as a Director. However a decision will be taken in three weeks time when the Board meets.

HON A J CANEPA:

How many meetings roughly have been held since last April? Can the Minister say?

HON J E PILCHER:

Yes, we meet every six weeks, so I think we have held three meetings.

HON A J CANEPA:

Does Mr Simonis fly to Gibraltar for these meetings?

HON J E PILCHER:

Yes Sir.

HON A J CANEPA:

At whose expense? GSL expense I take it.

HON J E PILCHER:

Yes.

HON A J CANEPA:

Fair enough. Thank you.

HON M K FEATHERSTONE:

Is Mr Simonis still remunerated as a Director?

HON J E PILCHER:

No Sir.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Will the Minister responsible for GSL state whether the Board of GSL has approved that certain information should be made available to the Opposition on a "Commercial-in-Confidence" basis, as requested in supplementaries arising from Question No. 49 of 1988?

ANSWERTHE HON THE MINSITER FOR GSL AND TOURISM

Yes Sir, the Board of GSL has agreed to allow the Chairman to release such information, on a "Commercial-in-Confidence" basis, as might be required to help the opposition monitor progress of GSL.

SUPPLEMENTARY TO QUESTION NO. 149 OF 1988

HON A J CANEPA:

May I ask when this information is likely to be made available to us, Mr Speaker?

HON J E PILCHER:

I will be contacting the Leader of the Opposition over the next two weeks.

HON A J CANEPA:

Thank you, I am very grateful for that.

MR SPEAKER:

Next question.

THE HON A J CANEPA

How many industrial workers are currently employed at GSL and how does this figure compare with the number in employment 6 months ago?

ANSWERTHE HON THE MINISTER FOR GSL/TOURISM

GSL were employing 384 at the end of October 1988. This means a decrease of 83 with the figures for end of April 88 which stood at 467. There are two things that need to be highlighted in comparing these figures. On the one hand the fact that the joint ventures are now employing their own staff and on the other the major increase in work over the last six months. These two factors create the situation that the complement of GSL will be fluctuating over the next few months until the total re-structure is complete.

SUPPLEMENTARY TO QUESTION NO. 150 OF 1988

HON A J CANEPA:

So the decrease is mainly accounted for by the setting up of Joint Venture Companies. How many of these eighty odd have been absolved by the Joint Venture Companies?

HON J E PILCHER:

Mr Speaker, at the end of October, which is the period the figures refer to, there was only one Joint Venture in operation, the Gibraltar Gun Wharf Yacht Centre Limited. They employed at the end of October, seventy eight industrials and nineteen non industrials. Since we are talking about industrials the figure to be quoted here is seventyeight.

HON A J CANEPA:

Mr Speaker, they were already employing some people. Is that an increase, seventy eight, is it an increase over the previous six months. In other words, have they absolved some of the decrease from GSL?

HON J E PILCHER:

Yes, all the decrease, in fact, because all the seventy eight went from the books of the Gibraltar Shiprepair Limited straight into the new company's books.

HON A J CANEPA:

So if we take these into account, the position has been virtually stable?

HON J E PILCHER:

Virtually stable for the last six months.

HON A J CANEPA:

And is the Minister able to say what is the Government's policy, does the Government have a policy on the numbers employed by the yard?

HON J E PILCHER:

Mr Speaker, it is not a question of Government policy. It is a question of looking at the increase in work that the yard has had over the last six months and reviewing, as we promised to do by the end of the year, the fixed complement of GSL. It is not a question of policy, Mr Speaker, it is rather a question reviewing the last six months and planning the business plan for next year. We will then be in a position to see whether we need to review the figure upwards or downwards. Of course, one must bear in mind, as I have mentioned, that as a Joint Venture starts some of the staff will be taken up by the Joint Ventures.

HON P C MONTEGRIFFO:

Mr Speaker of those that have joined the Joint Venture Companies, how many are Gibraltarians or non-Gibraltarians?

HON J E PILCHER:

Mr Speaker, I do not have that information to hand, but what I can say to the Honourable Member is that, the employees of GSL that move to the Joint Venture Companies, it is the employees and for me employees are Gibraltarians, Moroccans, Portuguese, etc.

HON A J CANEPA:

It would be of interest to us, if he could make the information available whenever he can.

HON J E PILCHER:

For the Joint Ventures, yes.

HON P C MONTEGRIFFO:

What we want to see is who is leaving GSL.

HON J E PILCHER:

Yes, Mr Speaker, I have no problems whatsoever in giving those figures.

HON A J CANEPA:

Thank you.

MR SPEAKER:

Next question.

ORAL

NO. 151 OF 1988

15 11 88

THE HON A J CANEPA

Will the Minister responsible for GSL give full details of work which has been or is being undertaken by GSL personnel that is not directly related to ship repairing?

ANSWER

THE HON THE MINISTER FOR GSL & TOURISM

No Sir, I believe that the Government is answerable in this House on matters of policy but not on the day to day management of the company or the breakdown of work undertaken by the company.

SUPPLEMENTARY TO QUESTION NO. 151 OF 1988

HON P C MONTEGRIFFO:

Is it the intention for GSL, as a matter of Government policy, to go on doing a significant amount of work other than ship repairing?

HON J E PILCHER:

No Sir.

HON P C MONTEGRIFFO:

Is it then Government's intention to have that extra work, or that non ship repairing work undertaken by future Joint Venture Companies, into which employees could then be passed over?

HON J E PILCHER:

Yes Sir.

HON A J CANEPA:

Does the Minister accept that what they are doing really amounts to an indirect means of subsidising GSL?

HON J E PILCHER:

No Sir. I do not. It is, in fact, contrary to Community Law. The creation of Joint Ventures, Mr Speaker, will have to be independent entities, which will work for Gibraltar, for the Gibraltar Government and for the Private Sector. They will have to stand alone as commercial entities and not backed up by Government subsidies.

HON P C MONTEGRIFFO:

So, Mr Speaker, the Government must have a very clear view, must it not, of the size of the workforce, within GSL or Shiprepairing, which he proposes to have in place once

the restructuring process has taken place. They must be able to quantify at this stage, the amount of labour force that will be separate from GSL and put into the Joint Venture Companies.

HON J E PILCHER:

No Sir, not at this stage, because as I say, we are still looking at the Joint Ventures which have just started, and we have not taken any final decisions on other areas.

HON P C MONTEGRIFFO:

Mr Speaker, will you allow one final question? When we talk about Joint Ventures in this situation, we are not really talking about Joint Ventures, we are simply talking about other and I want the Government to answer this point, totally controlled, totally owned Government entities which will operate apart from GSL. It is not Joint Ventures as one would understand with participation with somebody else, but simply a separate Government entity, is that correct?

HON J E PILCHER:

Yes Sir.

MR SPEAKER:

Next question.

ORAL

NO. 152 OF 1988

15 11 88

THE HON LT-COL E M BRITTO

Can Government give a full breakdown of the details of the pay settlement arrived at with the GSL workforce?

ANSWER

THE HON THE MINISTER FOR GLS & TOURISM

No Sir, what I am prepared to do is make available to the member opposite the agreements arrived at between GSL and the different unions on a confidential basis.

SUPPLEMENTARY TO QUESTION NO. 152 OF 1988

HON P C MONTEGRIFFO:

I am prepared to accept that, thank you.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Is the Minister responsible for GSL now in a position to "give concrete evidence of a cutback in overheads, streamlining of operations, and a consequential cutback in costs per man hours" as he stated that he hoped he would be when answering Question No.46 of 1988?

ANSWERTHE HON THE MINISTER FOR GLS/TOURISM

Yes Sir, over the last six months, GSL has undergone a further streamlining of operations. This has been accomplished by the new management of GSL under the directives of the new board which I chair. The following are the main areas which have been reviewed.

1. All contracts which had been signed by the previous management.
2. Stock levels and value of stock.
3. Value of capital assets and asset control.
4. All areas of costs to the company.
5. Manpower resources and distribution.
6. Wage and salary structure and conditions of service.
7. Management Systems.
8. Joint Ventures.

This review, together with the success to date of the new marketing strategy, has had a dramatic effect on the overheads of GSL. Overheads have been reduced by 50% over the last six months and a further reduction is expected as the total re-structure is complete. The cost per man hour has consequentially reduced and I am happy to say that in some cases costs are not matching income. Providing the work element is maintained, the final phase of the re-structure augurs well in getting income to be above costs.

SUPPLEMENTARY TO QUESTION NO. 153 OF 1988

HON A J CANEPA:

Is the reduction in overheads, Mr Speaker, a real reduction?

HON J E PILCHER:

Yes Sir.

THE HON A J CANEPA

Will the Minister responsible for GSL make a statement giving details of joint-venture companies set up at GSL?

ANSWERTHE HON THE MINSITER FOR GSL/TOURISM

It is the policy of the Government and consequently the policy of Gibrepair to fully utilise its manpower resources. In order to do this, areas of the company which have spare capacity, the expertise or the ability to expand outside shiprepairing, have been earmarked to be separated from the main body of GSL and become separate entities. Apart from these parameters which involve GSL's own resources, GSL is also looking at expanding its business in other areas which represent extensive costs and therefore overheads to its business. These companies will operate in a commercial environment like any other company in the Private Sector. Conditions of Service, wages etc will follow in line with those of Gibrepair although each company being a separate entity, is free to negotiate individual bonuses etc.

The various joint ventures which have already been set up are 50% owned by the Government Investment fund and 50% owned by the Gibraltar Shiprepair Ltd. These are the Gibraltar Gun Wharf Yacht Centre Ltd, the Gibraltar Labour Services Ltd, the Gibraltar Electrical Services Ltd and the Gibraltar Security Services Ltd.

There are various other joint ventures which are now in the process of being set up. I will advise the House of these as they materialise.

SUPPLEMENTARY TO QUESTION NO. 154 OF 1988

HON A J CANEPA:

What are the numbers employed, Mr Speaker, by the Gibraltar Security Services Company?

HON J E PILCHER:

Mr Speaker, the Gibraltar Security Services Limited employs thirty four persons at the moment.

HON A J CANEPA:

And the Chairman of this Company is the Minister himself?

HON J E PILCHER:

Yes Sir.

HON A J CANEPA:

And the Director?

HON J E PILCHER:

I do not understand the question.

HON A J CANEPA:

The Managing Director of the Company?

HON J E PILCHER:

This Company does not have a Managing Director, it has a General Manager, who is Mr Tito Figueras.

HON A J CANEPA:

There has been some mention in the press recently about a Gibraltar Computer Services Limited, is that a Company which is in the offing? Is that about to be set up?

HON J E PILCHER:

That is one of the areas of the Company which is under scrutiny at the moment.

HON A J CANEPA:

Under scrutiny. What will be the nature of it, will it be as the name implies or will it be involved in the servicing of computers or will it go beyond that?

HON J E PILCHER:

The matter is being studied at the moment and until such time as a final decision is arrived at I will not be in a position to comment.

HON P C MONTEGRIFFO:

Mr Speaker, what would be the basis of viability for these Joint Venture Companies with GSL. Would it be on the same basis as GSL viability, as stated in this House in the last session, or will they be run totally on commercial lines and if the Company does not make money it closes.

HON J E PILCHER:

They are being run purely on commercial lines and we will be expected to show a profit.

HON P C MONTEGRIFFO:

And whereas these Companies will be able to tender for work in the Private Sector, they will have, effectively, a monopoly on GSL work.

HON J E PILCHER:

Mr Speaker, it is normal for an entity that owns a subsidiary to give work to that subsidiary, it is not normal for an entity that owns a subsidiary to tender work out. That is normal commercial practice.

HON P C MONTEGRIFFO:

It is not normal for a Government to be in business.

MR SPEAKER:

No, no. Next question.

THE HON DR R G VALARINO

Will Government confirm what plans it has to introduce shorter and more flexible hours, childcare provisions and special maternity rights in respect to women employees both in the public sector and in those joint venture companies in which it has a participation?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker as regards the public sector, the hours of work, the flexibility of those hours and the maternity rights of women employees are in line with the United Kingdom in accordance with the parity principle as established by the Official Employers. The Government is not planning to move away from parity with UK and with the UK departments in Gibraltar. As regards the joint venture companies, the position is that since most of them are involved at this stage in industrial employment the number of women employees form a very small proportion of the total.

Conditions of service and maternity rights are a matter for each of those companies to determine directly with the Union holding the negotiating rights. As a matter of general principle, it is the policy of the Government to encourage women to remain in employment and therefore once the initial steps have been taken to bring down youth unemployment and adult registered unemployment, as it exists at the moment, on the basis of the existing supply of resident labour on the market, it is the intention of the Government to introduce schemes which will make it easier for female workers with family commitments to remain in employment. This is not expected to be likely to be taking place before late 1989 or early 1990 at best. In all probability the situation will be that once a Gibraltar Training and Employment Board is constituted, it will be asked to look into these issues and to make recommendations. The first stage of the Government's programme is to tackle youth unemployment and once that has been resolved we will then move to the other stage.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

Will Government reveal what further restructuring of the public sector has been effected since the last meeting of the House of Assembly and when it is proposed to commence decanting office accommodation presently occupied by the civil service in the city centre to the dockyard area?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, I am well aware of the reputation that the Government has for moving very quickly in introducing changes and bringing them about but I am astonished at how naive the honourable member opposite appears to be if he really thinks it is possible to decant government offices into alternative accommodation in the dockyard when in fact the creation of that alternative accommodation itself is a matter which will take some time. The time scale of moving from government accommodation in the City Centre into the Dockyard is one of two years, that is to say we are still planning the proposed construction of new offices. The decanting of areas of the dockyard itself is now completed. Stage two is therefore the planning and the building of new offices, which is envisaged could take something like 1½ years and the third stage is that when the new offices are completed and ready for occupation, then we will move from occupying city centre premises to doing that. So the answer to the final part of the question is that we hope to be in that situation by 1991.

As regards the further restructuring of the public sector the restructuring of the Personnel Office, which was the first area in which restructuring took place, is now virtually complete and all that is required is that we move them to suitable premises where they can all be in one location. The manning levels will be further assessed when the new system is fully operational to see whether additional savings can be made. Effectively what has happened is that what was formerly the Establishment Office, the Management Services Unit and Industrial Relations Office have been amalgamated into one. The idea of this being to use manpower resources more efficiently and to produce a quicker response to negotiations with the Trade Union movement and to the settling of grievances and problems thus avoiding industrial conflicts. At the same time there has been a saving in manpower within their office, which it has been possible to re-deploy elsewhere to give extra officers to departments where shortages have been identified. The reduction in the manpower of the unit is of the order of 5 officers. The Personnel Office is now working directly to me and to my office and there are regular meetings with the Personnel Manager, myself and the Minister for Government Services to review the progress that has been made. In addition an Efficiency Unit has been created with Efficiency Auditors working under the Deputy Governor charged with reviewing the efficacy of

the implemented changes in structures as they go along so that we are monitoring progress all the time. The manning of a new unit has been done through the savings in the restructuring of the Personnel Office.

Further restructuring within government has also taken place through the movement of the Gardening and Upper Road Section from the PWD to the Tourist Office. Subsequent to the move the nature of the section itself, in terms of the distribution of authority and the gradings and the numbers in different gradings as regards gardeners and labourers and so forth has been reviewed and changes in that area are now being discussed with the relevant workforce and unions. At the moment we are looking at a substantial area of change and restructuring in the possible move of the Maintenance workers from the Public Works Department to the Housing Department so that there is more direct control and a greater direct relationship between the workforce responsible for the maintenance of government housing and the Controlling Officer which is the Housing Manager, thus eliminating what has been a source of anomaly for many years in the past where effectively the Housing Manager as Controlling Officer, had very little exercise of discretion in how the vote in maintenance was being spent and what the priorities were from a Housing point of view. In addition the Security Services Company that has been created jointly with GSL is now functioning. It has taken into employment the former security guards from GSL and the former security guards from the Gibraltar Government and is contracting now to both ourselves and the commercial dockyard. As mentioned at budget time this company will work on a government contract to undertake the work that was envisaged of Traffic Wardens and the posts that were created to cover for these jobs in the new company have all now been filled within the government service by voluntary applications of former government employees, who have transferred to the Gibraltar Security Services Company Ltd. There are a number of other areas of restructuring currently under consideration, but for a while the thinking in government is that we must concentrate on making these areas that I have mentioned work well, rather than taking on too many changes in too many areas simultaneously and having difficulty implementing it, but nevertheless the situation is one that is fluid, there are no pre-conceived ideas and we keep the situation under review constantly with the ultimate objective of producing a more cost effective public service.

HON P C MONTEGRIFFO:

Mr Speaker, does the two year figure mentioned by the Chief Minister, relate to the decanting of the entire office accommodation occupied by the Civil Service in the City? In other words, by 1990 all accommodation that the Civil Service has within the City will have been moved to the Dockyard area, is that the target?

HON CHIEF MINSITER:

No that is to the start of the programme.

HON P C MONTEGRIFFO:

The start of the programme?

HON CHIEF MINISTER:

Yes.

HON P C MONTEGRIFFO:

And in relation, Sir, to computerisation, has there been any movement, since the last House, in systems being introduced or equipment being purchased, as an integral part of restructuring?

HON CHIEF MINISTER:

I thought there was another question on computers somewhere, Mr Speaker, but the position is that we had an expert from UK, provided by Her Majesty's Government, to advise us and having looked at the situation, the advice that we have been given is that we should first do the re-organising and then the computerisation afterwards.

HON P C MONTEGRIFFO:

The Government is therefore happy to reallocate and restructure departments' manpower requirements without really having the computer element in place before. One would have thought, Sir, that with the knowledge of what a computer could do or not do, the manpower requirement would vary.

HON CHIEF MINISTER:

I would have thought so too, Mr Speaker, but we have been advised to the contrary.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Did the Government approach other building societies in Gibraltar apart from the particular one selected for the investment of £30,000 of taxpayers' money, before deciding to do so?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker the Government has not approached any building society with a view to investing some of its funds. The position is that it was approached by one particular building society with proposals which were considered to be commercially attractive in terms of the expected return on the investment and therefore these proposals were proceeded with. However the Government would be quite happy to enter into identical arrangements with the two other building societies that operate in Gibraltar, if these two other parties are interested in it. In fact I understand that the Financial and Development Secretary received a letter from one of them on Friday to which he replied on Monday that any decision to participate by the Government would be dealt as a political matter and the letter has been passed on to me this morning. Let me say that in addition one of the actions that the Government has taken, is that it has moved money which was invested by the AACR administration in London in a variety of Foreign Banks including half a million pounds which was invested in the UK with the Town and Country Building Society. The Government feels that Gibraltar's money, which is obviously the tax payers' money, is best invested in Gibraltar's institutions and helping to assist the local economy and in total some nine or ten million pounds of tax payers' money, which the AACR was investing with foreign banks in London, are in the process of being repatriated to Gibraltar and invested with Gibraltar registered institutions, where they will create local jobs and pay local taxes.

SUPPLEMENTARY TO QUESTION NO. 157 OF 1988

HON A J CANEPA:

Mr Speaker, I welcome the much more open approach from the Government on this matter of participation by other long established Building Societies which have a good track record in Gibraltar, compared to the attitude which they were adopting on previous questions this afternoon. How does the Government propose to safeguard this particular investment of public funds?

HON CHIEF MINISTER:

Mr Speaker, we have a situation where there is a shareholders agreement, between the Government and the other shareholder, with representation on the Board and seeing the kind of success that other Building Societies have had in attracting funds, in relation to the very small

share capital, and it is quite obvious that the return on capital can be quite considerable. It is a matter of judgement, but we think it is a good investment. I doubt very much whether the other Building Societies will be prepared to sell up their business to us but we certainly are interested in buying.

HON A J CANEPA:

If the other Building Societies were to react positively, what would the Government propose to do, participate in separate Building Societies or does it feel that a stage could be reached when it might work, for instance, with a consortium?

HON CHIEF MINISTER:

The position of the Government is a very simple one, Mr Speaker, this is a purely commercial investment that we have made in a business venture. The Government has got its own plans for its own Building Society, independent of what it is doing with anybody else, which will be the Government's own vehicle, therefore if anybody else wants to sell us half their business, at a knockdown price, we will buy.

HON P C MONTEGRIFFO:

Mr Speaker, is the Government happy therefore with having participation in entities which are going to be in competition with each other in the market.

HON CHIEF MINISTER:

It is quite obvious to us, Mr Speaker, that there is a market which can take a lot of more competition, just like there is a market that can take a lot of competition in Banks. All the indications that we have is that we are not talking about a finite market where when one Building Society expands, it does so at the expense of another Building Society. If one looks at the statistics, over the years of Bank deposits, all the Banks increased their deposits. When we have had new Building Societies, the new Building Societies grow and the old ones do not decline as a result we therefore do not see that there is that kind of situation.

MR SPEAKER:

Next question.

THE HON A J CANEPA

When does the Chief Minister next intend to meet Sr Pagan, the Mayor of La Linea?

ANSWERTHE HON THE CHIEF MINISTER

I will be answering this question together with 159, 160 and 161. Mr Speaker, I am answering these 4 questions together because I feel that the Opposition is entitled to have a policy statement as to how we deal with relations with our neighbours in Spain in terms of political contacts. I do not think it is a matter of policy, the time of the day that a meeting takes place or the day of the month, and therefore I will give a brief resume of what has taken place until now, in terms of these political contacts and what is likely to take place in the future and how the Government sees it. The Government does not support the Brussels Agreement and this was clearly the position which was defended in the elections. However, the Government believes that it should encourage mutually beneficial cooperation with Spain or any of its regions, without any strings attached and what the Government is prepared to do is to give, for its part, political support to commercial ventures which can be demonstrated to be viable and which can produce results for Gibraltar. It is on this basis that shortly after the election I invited Senor Pagan as Mayor of La Linea and explained to him the policy of the Government which was very well received initially but which subsequently seemed to cool down once Senor Pagan referred the matter to Madrid. As regards the Mayor of Marbella, he was kind enough to greet me when I visited the Gibraltar stand in the Marbella Money Show and I subsequently invited him to visit Gibraltar and the position is that we remain in contact but the follow up of this visit to Gibraltar took place, in fact, on 6 June 1988. Senor Carracao has given me an invitation which was brought by Senor Pagan on his visit to Gibraltar, to visit him in the Mancomunidad and I have accepted that invitation and announced it at the time. There is also an invitation from Senor Pagan himself, to visit La Lina, which was also issued at the time and which I said I would take up to the appropriate time. As regards the Canary Islands, the trip was extremely valuable. It established contact with the business community in the Canary Islands which is very keen to set up a trading relationship with Gibraltar, if they can obtain the necessary political clearance from Madrid. The political leadership in the Canary Islands, itself, is clearly supportive of what the business community want to do and we have identified that there is potentially a huge business, for Gibraltar, if we can create a situation where cargo can transit from Gibraltar for transmission to and from the Canary Islands and Gibraltar can become

an important port of entry into Europe. It is as a result of this visit that we have embarked upon feasibility studies for the development of Gibraltar as a container transshipment centre, looking not just at the Canary Island market, but at other potential customers. I also think that another benefit that Gibraltar derived of this visit was that we were able to expose, I think, the inconsistency of the ostensible intention of the Government of the Kingdom of Spain, to put out the hand of friendship to the people of Gibraltar and its political leaders, because following that trip, pressure was exerted by the Spanish Foreign Ministry on the Spanish Television, to cancel an hour long debate scheduled to take place between Senor Fernando Moran and myself, on Spanish Television in a programme called 'Cara a Cara'. The fact that Spanish Television had in fact offered to launch the programme with myself and Senor Moran, shows the importance that they attached to it themselves and in fact, I was unwilling to be the first person to appear on the programme till I could assess how serious a programme it was and how worthwhile it was to participate in it, but it is quite obvious that the impact about the visit made on public opinion in the Canary Islands was sufficient to frighten the Foreign Ministry in Spain into getting Spanish Television to cancel the debate on Spanish Television, clearly, for fear that if I was given a platform to defend Gibraltar's point of view and explain Gibraltar's position, vis-a-vis, Brussels Agreement and other areas, that we have got a good case and a persuasive one and that therefore the image created in Spain of hostility from the Gibraltarians would be discouraged. The benefits therefore, of exposing the inconsistency in the Spanish Government's approach are unquantifiable and I think that Gibraltar has gained an enormous amount from being able to say, in defence of its position, that this chain of events clearly shows that the good faith that is expected to exist in both sides in talking, obviously to each other, does not appear to exist from the Spanish side. In addition to these political benefits, I believe that the commercial benefits are there and the interest that we have awakened from the Business Community in the Canary Islands and the potential for investment that has been created will be translated in a growth of trade between ourselves and the Canary Islands, once we are in a position to take advantage of that through the improvement in our own facilities here. The situation as regards future contacts between ourselves and political leaders in the Campo, is a very simple one, and there is no reason why we should try and hide it. It is clearly understood by both our Government and Senor Carracao and Senor Pagan and I would imagine even by our friends in the Canary Islands, although it appears to have been missed out by the Leader of the Opposition, that there is a serious problem over the continuing payments of Spanish pensions and that therefore in the light of that problem and until that problem remains unresolved, it is very difficult, for me, as Chief Minister of Gibraltar to be visiting the neighbouring areas and talking about cooperation, without being placed in a situation where I could be asked to commit myself, on continuing the payment of pensions, which I am not in a position to continue.

As I said there is an understanding, between myself, Senor Carracao and Senor Pagan, that really there is little to talk about, until the pensions issue is resolved one way or the other.

SUPPLEMENTARY TO QUESTIONS NOS. 158, 159, 160 AND 161
OF 1988

HON A J CANEPA:

Mr Speaker, the present Leader of the Opposition is of course as much aware of the fact that there is a problem with Spanish pensioners as his predecessor was. What it amounts to Mr Speaker, is that the rather optimistic scenarios of cooperation with the La Linea Authorities, which was painted after the first meeting with Sr Pagan was really somewhat premature, would the Chief Minister not agree?

HON CHIEF MINISTER:

Mr Speaker, it is not a question of what was premature or not premature. It was a reflection of the scenario, as it was then, the fact that the scenario has not materialised is regrettable, but as far as I am concerned, it is no fault of ours.

HON A J CANEPA:

And it is the view therefore of the Chief Minister, that when he talks about returning the visit, the invitation which he has to visit La Linea, at an appropriate time, that he cannot contemplate that until the problem with Spanish pensions has been adequately settled?

HON CHIEF MINISTER:

That is the view of both sides.

HON A J CANEPA:

And he would not agree that the initial meeting amounted to a little more than play acting on the part of both?

HON CHIEF MINISTER:

I do not know what are the qualifications of the Honourable Member, as far as play acting, but I myself have never been on the stage, Mr Speaker.

HON A J CANEPA:

Insofar as the Mayor of Marbella is concerned, what would the intention of the Chief Minister be at a more appropriate time to invite the Mayor of Marbella to Gibraltar.

HON CHIEF MINISTER:

Mr Speaker, I have said in answer to this question I gave the Honourable Member the date when the Mayor of Marbella

was in Gibraltar. He has already been invited, he has already arrived and he has already gone.

HON A J CANEPA:

Officially?

HON CHIEF MINISTER:

Yes.

HON A J CANEPA:

When was that?

HON CHIEF MINISTER:

On the 6th June and I have the key to Marbella in my office to prove it.

HON A J CANEPA:

I may have been play acting myself. Insofar as Sr Carracao is concerned, does the Chief Minister then agree that a meeting with Sr Carracao could serve a useful purpose?

HON CHIEF MINISTER:

Well, I have meetings with all sorts of people, Mr Speaker, whether they serve useful purposes or not. I think one can only judge whether a meeting has served a useful purpose after the meeting and depending what results of it. But certainly, if we are talking about a situation where Sr Carracao is the only person with whom Gibraltar can have contact, because that is what has been decided under the Brussels process, then the answer is that it would not serve any useful purpose to maintain that position because to maintain that position is bad for Gibraltar.

HON A J CANEPA:

And the Chief Minister does accept, that without undermining Gibraltar's position in any way, there are matters of mutual interest, mutually beneficial interest that could profitably be discussed with the President of the Mancomunidad?

HON CHIEF MINISTER:

Not particularly with the President of the Mancomunidad, no I do not accept that, because I think that the bulk of the matters of mutual interest, are the matters on both sides of the frontier and as far as I am concerned, the Mancomunidad is too big a unit to be of relevance to the problems that Gibraltar may wish to discuss with its neighbours. Therefore the alternative of the Government of Gibraltar is the alternative I put to Sr Pagan when he came to see me.

HON A J CANEPA:

Turning now to the Chief Minister's trip to the Canary Islands. Will he confirm that so far, to date, there have in fact been no specific trade or shipping links established with the Canary Islands?

HON CHIEF MINISTER:

At the moment there are no specific trade or shipping links because as I have already told the Honourable Member opposite, that it is clear that without the political green light, from Madrid, these things cannot be transformed into reality. It is not because we are not interested in developing them.

HON A J CANEPA:

And the Chief Minister only discovered that after the 24 March this year?

HON CHIEF MINISTER:

No, Mr Speaker, it is not that I only discovered that. What I think I have discovered is that it has been an extremely useful thing, to be able to demonstrate publicly, what we had been saying before the Elections, that all this argument that the Honourable Member and his Party used in the past, in defence of the 1984 Brussels Agreement, about the new climate of understanding and cooperation, that the first time it is put to the test, is not there. Whether we believed that it was there or it would not be there was a matter of opinion before, now it is a matter of fact. We have established that there is a potential commercial relationship to which we are interested in giving political support. Thus destroying the myth that we are anti-Spanish or that we are seeking confrontation with Spain. The Spanish businessmen themselves appear to be having difficulty in convincing the Authorities in Spain about the wisdom of following the road of cooperation, even though the Authorities in Spain are supposed to be in favour of cooperation.

HON P C MONTEGRIFFO:

Mr Speaker, has the Chief Minister sought to determine, from either Sr Carracao or Sr Pagan, prior to any proposed meeting, that their participation in such meetings would be as far as they are concerned outside the Brussels process, or do they take the view that the Brussels umbrella is the framework under which they are operating?

HON CHIEF MINISTER:

No the position of the Spanish politicians, not just Sr Pagan and Sr Carracao, but of all Spanish politicians is that the Brussels Agreement is a very good deal for Spain and they support it and they defend it. I suppose, if I were a Spaniard, I would be doing the same thing but I do not think that actually the Brussels Agreement says

that it is a necessary condition of meeting a Gibraltarian, that the Gibraltarian that you meet has to be one of those Gibraltarians that supports the Brussels Agreement. Otherwise Sr Pagan and Sr Carracao, would be limited to meeting a minority of Gibraltarians.

HON P C MONTEGRIFFO:

Mr Speaker, that is precisely the point. If the Government's position is that they will not join whatsoever and if Sr Carracao and Sr Pagan believe that they are acting in pursuance of it, is it not an inconsistent situation that places the Government in a difficult position.....

MR SPEAKER:

No, no, you are being asked for an opinion.

HON CHIEF MINISTER:

As far as I am concerned, Mr Speaker, I suggest the Hon Member asks Sr Pagan and Sr Carracao, if there is any inconsistency in their position. I do not know if when Sr Pagan came to see me in my office and sat beside me in a Press Conference, he felt he was doing it in support of the Brussels Agreement. But I think that the Hon Member should ask Sr Pagan not me.

MR SPEAKER:

Next question.

ORAL

NO. 159 OF 1988

15 11 88

THE HON A J CANEPA

Does the Chief Minister propose to invite the Mayor of Marbella to Gibraltar, as a follow-up to his meeting with him?

ANSWER

THE HON THE CHIEF MINISTER

This question was answered together with Question No. 158.

ORAL

NO. 160 OF 1988

15 11 88

THE HON A J CANEPA

Does the Chief Minister have any plans whatsoever to meet Sr Caracao, the President of the Mancomunidad de Municipios?

ANSWER

THE HON THE CHIEF MINISTER

This question was answered together with Question No. 158.

ORAL

NO. 161 OF 1988

15 11 88

THE HON A J CANEPA

Will the Chief Minister state what benefits, if any, has Gibraltar derived from his trip to the Canary Islands?

ANSWER

THE HON THE CHIEF MINISTER

This question was answered together with Question No. 158.

THE HON A J CANEPA

Will the Chief Minister state what plans the Government has for further overseas visits by Ministers over the next 6 months?

ANSWERTHE HON THE CHIEF MINISTER

The visits planned for the next six months consist of my leaving for the United Kingdom, late on Thursday evening, to see Mrs Lynda Chalker on Friday morning and returning to Gibraltar on Friday afternoon. At this moment there are no other visits planned. Mr Speaker, the time that I am going to be away from Gibraltar in seeing Mrs Chalker, as I have described, is an indication of how the Government tries to keep the requirements of external visits, to the minimum consistent with the objectives that it wants to achieve and therefore it is these things which will determine the implementation of the policy of the Government which is to promote Gibraltar at every conceivable level and in every forum, however we take decisions on whether one particular trip or another is justified or not justified according to the circumstances of the time and therefore we do not pre-plan these visits six months ahead.

SUPPLEMENTARY TO QUESTION NO. 162 OF 1988

HON A J CANEPA:

I am sure, Mr Speaker, that the Honourable the Chief Minister when he was Leader of the Opposition and indeed accompanied us on some visits is aware of the fact that the previous administration had very similar considerations in respect of public expense. In fact some times the schedules were so tight that we were in danger of missing the connecting flights. I am sure he will accept that. Having regard to the fact that there is only that visit planned, does that mean that the Chief Minister expects to be able to work within the funds which have been provided in 1988/89 Estimates for this purpose or does he think they might be exhausted and they will have to come for a supplementary?

HON CHIEF MINISTER:

Well as I have said publicly recently, Mr Speaker, if there was a need to exceed the amount that has been provided in the Budget, we would come to the House with a Supplementary Appropriation Bill. Given that we are now in December, it does not like it at the moment, but I am not ruling it out.

HON A J CANEPA:

The Chief Minister I take it is aware of the fact the question refers to visits by Ministers, so apart from his own visit, it is not anticipated, at this moment, that any of the other Ministers are likely to.....

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HON CHIEF MINISTER:

I think I have read the question correctly.

HON A J CANEPA:

Fine, I just wanted confirmation on that.

THE HON A J CANEPA

Will the Chief Minister make a statement about the person whom he has appointed to represent the Government of Gibraltar in the USA, and explain the terms and conditions of the appointment?

ANSWERTHE HON THE CHIEF MINISTER

The person who has been appointed by the Government to represent the Gibraltar Information Bureau in the United States is considered by the Government to be a great asset for Gibraltar and for the promotion of Gibraltar. He is a retired diplomat from the United States Diplomatic Service, who has served for many years in the Far East and in Europe. As a retired diplomat he has been working for the United States Government in support of the international visitor programme and he was attached as my escort when I was invited by the United States Government as Leader of the Opposition in 1986, for a one month tour of the United States and for a familiarisation visit, which led to my visit on this occasion to follow up the contacts, established at the time, and led in fact to the thinking of the Government of the requirement for a presence in the United States. Mr Perry Stieglitz, is in fact, extremely well known in Washington. He lives in Washington himself and has done so for many years and he has got a very wide range of contacts within the State Department, the Commerce Department, and the Diplomatic Club. All these contacts will be of extreme value to Gibraltar in pursuing its policy of promoting itself and encouraging investment from the United States and greater trading links. The terms and conditions of the appointment are on the basis of negotiations which are still being conducted and which will be done between the Information Bureau and Mr Stieglitz. What has been already decided is that we should take 'space' in a prominent location in Washington with a serviced office and this is already in hand. The remuneration of Mr Stieglitz will be primarily determined by what is the going rate in Washington for this kind of office, of which there are many, because it is an area where a representative office is maintained by a wide variety of jurisdictions. It is interesting perhaps, to mention in this connection that the setting up of Government information offices overseas, has been something that has been conducted by the Government of Hong Kong for, something like, ten or fifteen years, as I found out in my discussions with the Governor of Hong Kong in my recent visit to that territory and therefore in fact Gibraltar is not entirely breaking new ground in this respect. The Hong Kong Government, itself, tells me that they feel that the promotion of their international trade and the level of their involvement in international business has been, in no little way, determined by the aggressive marketing that they have been doing through having representative offices in various parts of the world, and therefore the development of the external representation of Gibraltar and the external

promotion of Gibraltar is an integral part of the strategy of the Government for promoting a higher rate of economic growth. The Gibraltar Information Bureau, itself, needs to be formally constituted and one of the difficulties that we are having at the moment is that, because of the pressure on my time and the time of my Government, it is something that we have not yet done formally, so as to give the necessary back-up here to Mr Stieglitz and to other representatives.

SUPPLEMENTARY TO QUESTION NO. 163 OF 1988

HON A J CANEPA:

Mr Speaker, although the Chief Minister says that the negotiations have not been completed, is he in a position to say for how long the appointment will be?

HON CHIEF MINISTER:

The appointment is going to be, initially, I believe for a period of two years, because the rent of the office is initially for a period of two years, and therefore what we are looking at is costing the Washington presence of Gibraltar and then assessing its value when we see what it has produced for us.

HON A J CANEPA:

He also made a reference, Mr Speaker, to the question of remuneration, does he have an estimate of what the cost of that remuneration is likely to be over that period of two years?

HON CHIEF MINISTER:

Not really, Mr Speaker, we have an estimate of the actual cost of the offices, which I am told, we have been lucky to get at a very good rate. The office is right in the centre of Washington, in Madison Avenue, it is a very good location and what we are having is an office which is going to be in a building with a ground floor outlet and where the cost of the office includes the cost of the telex, the telephone and the typing staff. This kind of operation will cost something like £20,000 per year. It is a very small figure for a year.

HON A J CANEPA:

What is the target date of the setting up of this operation? I am asking, Mr Speaker, because if it is going to be in the next Financial Year, obviously we will be able to pursue the matter in the context of the debate of the Estimates, as to costs and so forth, but if the operation is going to be set up earlier than that I wonder whether the Chief Minister will care to make the information available to us as soon as he knows.

HON CHIEF MINISTER:

Yes I am quite happy to let him know once we have finalised matters. The actual announcement, I think, is going to be made in Washington itself. What is happening at the moment is that Mr Stieglitz is negotiating on our behalf in Washington and then faxing the information to us for the Attorney General's Department to conclude before he can go ahead and finalise the negotiations.

HON P C MONTEGRIFFO:

Mr Speaker, is the appointment a full time appointment or will this man be doing something else apart from representing Gibraltar in Washington?

HON CHIEF MINISTER:

No, he will be working for us and not anybody else. He is retired and we will not have to pay him what we would pay if we had a younger man working full time. He has a pension from the United States Government, which he was supplementing previously by doing the kind of work that he did when I went over in 1986, as an escort to International visitors, ie assignments. Now he might be doing ten assignments a year, previously, and those assignments might last two or three weeks. He was employed on a casual basis by the State Department. We have now under a United States law, a Federal law, have had to register him as a foreign agent, because he is working for us. I was rather surprised when he told me that he had to register with the Justice Department, as a foreign agent, because it seemed as if we were running a section of the KGB in Washington. The fact that he is working for a foreign government precludes him from working for the United States government.

HON P C MONTEGRIFFO:

Mr Speaker, the background to this individual is one of diplomatic service. Is the Government happy, that bearing in mind, that the representation we are seeking is primarily economically based, seeking economic links, that this individual, which the Chief Minister met fortuitously during his visits, several years ago, is in fact the appropriate individual for the job at hand?

HON CHIEF MINISTER:

Well there are two things which really made me choose, one was that I spent a month with him, and the second thing is, that in my own experience there, that there is an extremely close relationship in the United States between the business community and the political and civil service decision makers. In fact you really wonder sometimes whether it is not the business community that is really running the nation. Consequently the political leaders are the business leaders, and the people in the Commerce

Department, for example, with whom he has personal relationships and knows on first name terms are extremely influential in getting appointments and in getting people to see you. One of the advantages that these connections has, which I found in my first visit and which I was able to exploit in my second visit, is that if you call at a Bank or any major International Corporation and you say to them "I am Joe Bossano from Gibraltar" they might just hang up on you. If the State Department calls them and says "we would like you to meet Mr so and so", they will do it, not because they are interested in you, but because they do not want to say no to the State Department. Therefore he can get friends and former colleagues in the State Department to arrange contacts for us. He is already, in fact, responding on our behalf to enquiries as a result of the visit that I have made. We have had a number of American Institutions interested in investing in Gibraltar, one of whom is currently in Gibraltar, discussing certain possibilities with us. However as I said, what we are doing at the moment is looking at the response we have had to the US and Hong Kong visits and we have discovered that we do not have the backup here to supply what firms are asking for. We do not have documented data, in fact at the moment, what we are doing is using information that a local firm of accountants has produced from banking, because that is better than anything we have as Government, and we are having to rely, on the Private Sector in Gibraltar to help us out in this situation.

HON LT-COL E M BRITTO:

One more question, Mr Speaker, for the two year period, is this a sole appointment of this gentleman or is it envisaged to become a branch of the Gibraltar Information Bureau with the consequent taking on of staff either American or Gibraltarian?

HON CHIEF MINISTER:

We are certainly not going to have people posted overseas in Washington with overseas allowance, that I can tell you straight away. What we have looked at was the appointment of clerical support in the United States to assist him, but in fact the deal that we have got for a two year lease of the office is inclusive of it being serviced, so we do not need to employ any extra staff. It will be just the office that he uses which will be staffed by persons included in the lease agreement.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Will the Chief Minister give details of all trips made by Ministers outside Gibraltar since 24 3 88, including countries visited, composition of the travelling parties, time spent away from Gibraltar, which have not been financed by the Gibraltar taxpayer?

ANSWERTHE HON THE CHIEF MINISTER

I will answer this question together with question 168. Mr Speaker, the policy of the Government to promote external visits is one that was explained by the Government shortly after taking office and I will explain it once again. The Government, however, does not believe that it has an obligation to give the Opposition details of every pound, spent on taxi fares or every cost of every breakfast of every minister on every trip. That is the kind of role that might have been applicable to a public accounts committee, which as you know my party did not support in Opposition in 1984 and we do not support in Government. Clearly any expenses made by any Ministers which have been due to the Government's share of the cost of any promotional exercises, are properly documented and subject to audit by the Auditors. The trips that we have made, as I have said, are in pursuance of the policy explained shortly after the elections and defended, at the last House of Assembly, when the money voted by the House and when we were asked for an explanation as to the need for that money. As I said at the time and this is the vote of £100,000 in Head 25, Subhead 25. This is an increase in marketing for Gibraltar at ministerial level where the Government is absolutely convinced that without this, we would not be able to achieve the rates of growth of 12% per annum and the increase in the size of our economy of 50% in our first term of office, which we are aiming for. We consider this to be an investment in the future which will be repaid many times over. As I also said in June, and I repeated in my recent television interview on the subject, although we try to keep the cost to the minimum by taking advantage of offers from Governments and organisations to act as hosts, when such offers are made, the policy and the view of the Government is, that if the amount that we have provided in this year's budget should prove insufficient, we are prepared to increase that amount as may be required to meet the cost of the promotional exercise that we feel Gibraltar needs to achieve a higher standard of living. I confirmed that in a Supplementary yesterday to a question from the Leader of the Opposition. Having said that, I am prepared to provide an outline of the expenses. The cost so far has been £18,688 in total of which £7,065 has been the cost of passages and £11,623 has been the cost of subsistence covering hotels and meals. This sum includes the expenses of both the Ministers and the accompanying Civil Servants who have been the Deputy Governor, the

Attorney General, the Financial and Development Secretary, the Administrative Secretary, the Financial Sector Adviser on the different trips. The trips for which the Government has met the costs are as follows: (List A). Those for which there has been hospitality on the part of either organisations or administrations are as follows: (List B).

In these trips, Ministers have invariably gone on their own in order to limit the cost of the exercise, for example, in the United States trip, what I did was to have Mr Stieglitz accompanying me, rather than take somebody from Gibraltar, which would have been more expensive and in the recent Hong Kong trip during the Money Show, I am glad to say that in addition to Mr Joe Bautista, whose presence was there at Government expense, I received a great deal of assistance from the representatives of the Chamber of Commerce and from Mr Ralph Lima at no cost to the Government. The composition of the parties that have taken part have therefore been in the majority of cases the Minister on his own, occasionally the Minister accompanied by the necessary officials. The trips that have cost most in terms of the cost per day of the visit have been my own visits, to the United Kingdom to meet Mrs Lynda Chalker on the questions of the pensions and to meet originally Sir Geoffrey Howe, given that for a very short visit of one or two days, it involves a very high proportion of fares as advantage cannot be taken of economy rates and as quite a number of officials have had to accompany me on these occasions. These are not really visits in pursuance of our policy of promoting Gibraltar, but a necessary part of our continuing close working relationship with Her Majesty's Government in trying to find solutions to problems that we have inherited, such as the pensions problem where we want to work in partnership with the United Kingdom and work out a way of resolving this burden in a mutually acceptable fashion that I would put such meetings in a different category from the promotional trips by Ministers which are, in a way, a substitution and an extension of what was previously the policy in Gibraltar where it was really only the Minister for Tourism, that went overseas and he tended to limit himself to promoting tourism exclusively.

SUPPLEMENTARY TO QUESTION NO. 164 OF 1988

HON A J CANEPA:

Mr Speaker, where we know that the cost has not been met by the Gibraltar taxpayer, and the Chief Minister has not said who met the cost. By implication in a number of instances one can tell for instance, Mr Feetham's trip to the Pobjoy Mint, I take it that if the Gibraltar taxpayer did not pay, they paid. Is that assumption correct? Will you confirm this?

HON M A FEETHAM:

No Sir, on my way to the United States, at the expense of the people that had invited me there, I dropped in to see Mr Pobjoy, I took advantage of that to do two things in one.

HON A J CANEPA:

The Chief Minister did not say who met the cost of their trip to the Canary Islands. Was that Pegasus?

HON CHIEF MINISTER:

Well it was either Pegasus or the Transhipment Companies in the Canary Islands that were interested in the business. The initiative did not come from Gibraltar, the initiative came from the Canary Islands and the invitation came from there.

HON A J CANEPA:

And Mr Pilcher's trip to Greece. Who paid for that?

HON J E PILCHER:

That trip was in fact to attend the Posedonia Exhibition and was paid by Gibraltar Shiprepair Ltd.

HON A J CANEPA:

By Gibraltar Shiprepair? Well I might inform Hon Members opposite that when I attended the Posedonia Exhibition in 1986 and the Chief Minister will see that on some occasions we did travel, other than the Minister for Tourism, the Gibraltar taxpayer met the cost of that and of our delegation. Not Gibraltar Shiprepair Ltd. Gibraltar Shiprepair themselves had a separate delegation and they met the cost of that.

HON J E PILCHER:

Yes, but I am Chairman of Gibraltar Shiprepair Ltd.

MR SPEAKER:

We have to be clear of one particular thing, this particular trip to Greece did you go as a Minister or did you go as Chairman of Gibraltar Shiprepair Ltd?

HON CHIEF MINISTER:

Mr Speaker, the position is that if we can pass the cost to somebody other than the Government then we do so. In this situation if we had a Chairman of GSL and a Minister for Tourism who were two different persons, the Government would have had to meet the cost for the Minister for Tourism and GSL the cost of the Chairman by the Company. Since it so happens that one person performs both jobs, when he finishes his business with shiprepairing he then puts on his Tourism hat at no extra cost.

HON A J CANEPA:

I do not doubt the sense of that Mr Speaker. Will the Chief Minister accept that whilst the question was not intended to illicit the cost of each taxi fare or each

breakfast taken by a Minister, perhaps in the same way as we have had a breakdown of air passages, subsistence and hotels he could have given, in arriving at those totals, a breakdown of what each trip entailed. We are not going to press him on that but will he confirm that that information is available?

HON CHIEF MINISTER:

The information is available and I am sure it has not escaped the Hon Member's notice that until the very last minute my office has been faring information here to try and provide him with as much comprehensive information as possible. It would simply have meant more work, more time and more delay and I might not have had the answer ready in time.

HON A J CANEPA:

My question on general policy. Is it Government policy to inform the public about these visits as and when they occur. Because some of these visits, quite honestly, I have heard about for the first time today and I do read the newspapers and I do listen to radio and watch television. I do not however recall that in all cases such visits have been made public, it may not be Government policy, for security reasons, I do not know.

HON CHIEF MINISTER:

No, I think that in the vast majority of cases, Mr Speaker, there has been a Press Release saying that the Minister is going to be away doing something or other. What we obviously do not see in the Press Release is, what the cost of the fare is or anything like that, but we do inform the public when Ministers are away, quite frankly because it is good PR for the Government.

MR SPEAKER:

Next question.

APRIL 1ST TO NOVEMBER 9TH 1988

<u>NAME</u>	<u>DESTINATION</u>	<u>DATES</u>	<u>PURPOSE OF TRIP</u>
The Hon J Bossano (travelled with Mr E Montado)	London	11.04.88 - 13.04.88	Meeting with Sir G Howe
The Hon J Baldachino	United Kingdom	14.05.88 - 21.05.88	Investigate building construction techniques and to find out availability of pre-fabricated housing units.
The Hon M Feetham	Madrid	17.05.88 - 19.05.88	Meeting with Hong Kong Trade Delegation
The Hon J E Pilcher	London/Denmark	26.05.88 - 4.06.88	London - London Office/Lonsdale Wilcox Denmark - Contracts with Airline Companies
The Hon J C Perez	United Kingdom	8.06.88 - 13.06.88	Meeting with British Telecommunication in U.K.
The Hon M Meetham (travelled with Mr J H Bautista)	United Kingdom	21.06.88 - 24.06.88	Attendance at the Transcontinental Trusts Conference
The Hon J Moss	London	8.07.88 - 16.07.88	English Speaking Union Course
The Hon J Bossano (travelled with Mr B Traynor and Mr W Quantrill)	London	20.07.88 - 23.07.88	Meeting with Mrs L Chalker
The Hon J Bossano	London	9.08.88 - 11.08.88	Meeting with Mrs L Chalker
The Hon M Feetham	Denmark	24.08.88 - 26.08.88	To visit the Compenent Building Factory
The Hon J Bossano	America (Washington/ New York)	3.09.88 - 14.09.88	Follow up to 1986 Invitation by the American Government and establishment of Gibraltar Information Bureau
The Hon M Feetham	London	25.09.88 - 28.09.88	Meeting with American Investors and the Wallem Shipping Company TSBANIC
The Hon J Bossano	London	28.09.88 - 30.09.88	Talks with Mrs Chalker
The Hon J E Pilcher	London	13.10.88 - 14.10.88	Heritage Trust
The Hon J C Perez	London	13.10.88 - 16.10.88	Meeting with British Telecom.

APRIL 1ST TO NOVEMBER 9TH 1988

<u>NAME</u>	<u>DESTINATION</u>	<u>DATES</u>	<u>PURPOSE OF TRIP</u>
The Hon J E Pilcher	London	16.04.88 - 18.04.88	Attending opening of a new Travel Agency by Pegasus and promotional business.
The Hon M Feetham	Canary Islands (Tenerife and Las Palmas)		
The Hon J Bossano	Canary Islands (Tenerife and Las Palmas)	4.05.88 - 6.05.88	To arrange transshipment deal
The Hon J Bossano	Marbella	19.05.88	Attend Money Show
The Hon J E Pilcher	Greece	7.06.88 - 10.06.88	GSL/Tourism
The Hon J E Pilcher	London	22.06.88	Contacts with Airlines
The Hon M Feetham	Palma de Mallorca	18.08.88 - 22.08.88	Looking at Developments and infrastructure
The Hon J E Pilcher	London	14.09.88 - 18.09.88	Transark - Southampton
The Hon J Bossano	Cyprus	19.09.88 - 22.09.88	Commonwealth Finance Ministers Meeting (FCO)
The Hon J Bossano	Germany	23.09.88 - 26.09.88	Small States Financial Forum (Crown Agents)
The Hon J Bossano	* Toyko/ Singapore Bangkok Hong Kong	19.10.88 - 1.11.88	1. Touring Civil Engineering projects undertaken by Kumagai Gumi. 2. Linked it up with Hong Kong Money Show. Setting up Information Office in Hong Kong (Hong Kong and Japanese investment) 3. Talks with Mrs Chalker
	* At the invitation of Kumagai Gumi		
The Hon M Feetham	America/London	25.10.88 - 10.11.88	Pobjoy mint) Kumagai Gumi) London Leisure Developers and Commercial meetings.

LIST B

THE HON A J CANEPA

Is it Government's policy to allow an equal opportunity to all firms which might be interested in participating in the setting up of joint-venture companies other than those firms which the Government selects in what is apparently an arbitrary fashion?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

Yes Sir. The policy of the Government is to allow equal opportunity to all firms who might be interested in participating in the setting up of joint venture companies and the Government is only too happy to listen to any proposals. To date all the joint venture companies that have been discussed have been on the basis of this policy. The Government has not selected any firms in an arbitrary fashion with whom to do business. All the firms in question have made proposals to the Government with one sole exception and that is the inherited commitment from the previous Government to give Montagu Basin to Gibraltar Homes Limited. The Government was committed to honour this and said so during the election campaign. If members opposite will recall, during the election campaign one of the scare stories invented by the AACR was that if the GSLP was elected the 500 homes in Montagu Basin would not get done, and, in fact, what we did in Opposition was to enter into an alternative agreement to the one Gibraltar Homes already had: and to say to them that if we went into Government we intended to proceed on a much more ambitious scheme of housing than the AACR had, but that we would honour the fact that Gibraltar Homes have already been given a commitment to be given Montagu Basin to reclaim. Because of this in the case of the Government Owned Land Reclamation Company, the participants in Gibraltar Homes would be given an opportunity to participate so that they would not feel that they had been cheated out of something that has already been committed by the AACR Government and on which they had already spent quite a lot of money in preparatory work. Apart from this particular selection of individuals for the reasons that I have explained in every other case, what the Government has done is to look at proposals put to it on the initiative of those concerned. The Government has not had to go out looking for partners because in fact it has received and it is continuing to receive more proposals than it is in a position to take up at this stage. But notwithstanding that, as I said in the beginning of my answer to the question, we welcome any ideas that any local companies wish to make to us and the criteria is the commercial viability, but what the Government will not do is, of course, go into an investment with a firm unless it is convinced that the investment is likely to succeed and make a profit.

SUPPLEMENTARY TO QUESTION NO. 165 OF 1988

HON A J CANEPA:

Sir, in view of the answer which the Minister has given whereby it is clear that the onus is placed on individual firms to take the initiative, how can he guarantee that there will in fact be equal opportunities unless the Government were to give some indication of the kind of Joint Venture Companies that it would actually be interested in setting up.

HON M A FEETHAM:

Mr Speaker, first of all I think it is common knowledge in Gibraltar, because of the Election and because of our Election Manifesto that we would be entering into Joint Venture Companies with partners from the Private Sector. We are not ruling anybody out and what I can tell the Honourable Member opposite, as I have already repeated earlier on in the session is that I think I have now met everybody in Gibraltar, businessmen, developers, bankers, Building Societies and so on. I have informed them of our policies and everybody is aware of them, and the surprising thing is that most of the initiatives and most of the ideas about Joint Ventures have come from the Private Sector. Firms have seen the value of the sort of security that the Government can provide, because for example, the Government is the biggest landlord in Gibraltar and that is one asset that has not been exploited to Gibraltar's benefit in the past. They see Joint Venture with the Government as providing something which was not readily available to them in the past and in return they are providing us with the expertise which is not available in Government to produce Joint Venture Companies for the benefit of the community as a whole.

HON P C MONTEGRIFFO:

Mr Speaker, I think the point goes beyond that. How can there be equal opportunity in a specific venture if details of the venture are kept confidential. For example the Telephone Department, we have heard in the press recently, in one particular newspaper, about discussions going on concerning that Department. Had that not happened, how were people to know about it.

MR SPEAKER:

What is your question?

HON P C MONTEGRIFFO:

My question, Sir, is that in a practical sense, since actual ventures are kept confidential, equal opportunity appears to be theoretical more than anything else?

MR SPEAKER:

So you are just asking for confirmation.

HON CHIEF MINISTER:

Mr Speaker, people have approached us claiming that one of the things that used to happen in the past was that they had a bright idea for something that was profitable they took it to the Government and then they found somebody else doing it. People are very reluctant to come forward, spend time and money on something that they think is a profitable venture and then find that it goes to somebody else either because it is open for tender or whatever. What we are saying is Gibraltar is small enough and there cannot be one single businessman left in the place that does not know by now that any idea that they have got which they think is worth pursuing we will welcome and receive with open arms. What we are not prepared to do is, once somebody comes forward with one idea we say right now we are going to see how many other people are interested in your idea so that they have an equal opportunity. If three people come with the same idea, then we will look at the three.

HON A J CANEPA:

I accept that, Mr Speaker, but if somebody is in the business of manufacturing Tiddlywinks and there are three or four other people who are also in that business, unless one of them takes the initiative of coming forward, they do not know that such an opportunity is available, because the Government does not make a statement saying, we are interested in setting up a Joint Venture on the business of manufacturing Tiddlywinks. Could not the Government give some guidelines, other than just saying, we will look at anything that comes up.

HON CHIEF MINISTER:

That is the guideline, we will look at everything that comes up. Nothing is ruled out as long as it makes money.

MR SPEAKER:

Next question.

NO. 166 OF 1988

ORAL

THE HON A J CANEPA

Does Government expect to have any prior information about the Agenda, as it affects Gibraltar, for next month's meeting of the British and Spanish foreign ministers and does he expect to convey the Government's specific views on the matters to be raised?

ANSWERTHE HON THE CHIEF MINISTER

Yes Sir. The Government expects to have information about the agenda for next months meeting on the basis that Her Majesty's Government through the office of His Excellency the Governor does keep me informed of the ongoing discussions that are taking place as a matter of courtesy, but as the Opposition well knows the Government does not support the Brussels Agreement and will not participate in the Brussels Agreement. It would be completely inconsistent of me to say that I do not support the Agreement, that I will not take part in the talks between Señor Ordóñez and Sir Geoffrey Howe on one side, where I understand the Mayors of La Linea, San Roque and Algeciras are going to form part of the Spanish delegations, and that it is not my intention either to send my colleague Miss Montegriffo, as Mayor of Gibraltar, to balance the Spanish contingent. The position of the Government of Gibraltar is one that I have explained ad nauseum, but if the Honourable Member is still not clear then I will explain it once again. Immediately after the election Sir Geoffrey Howe invited me to the United Kingdom to review the position in the light of the policies of the new Government. I am glad to say that as we expected it and contrary to the doom that was being predicted by members opposite in the election campaign if we were elected, the British Government informed me that they respected the right of the Government of Gibraltar to hold different views, from its predecessors and the right of the people of Gibraltar to elect the Government of their choice. On that basis he also told me that notwithstanding that, as the administering power in Gibraltar, they had entered into bilateral agreement with Spain which they had to honour and that consequently the discussions over Gibraltar's future with Spain would continue. My position is that I accept that they have got such an agreement and I accept that I cannot in fact ask them to break an agreement which they entered into in 1984 with the support of the AACR, but I disagreed in 1984 with the position of the AACR and I disagree today with the position of the AACR and so do the overwhelming majority of Gibraltar, this is why they were so roundly defeated on March 24th. We therefore have a situation where the British Government does not require to have my views put to it because they are very very familiar with my views. My views are constantly expressed on every opportunity publicly. Should Her Majesty's Government feel that they have to obtain any further information on any specific thing, then it is a matter that they have to raise with me and ask me for my views, but it will not be volunteered.

SUPPLEMENTARY TO QUESTION NO. 166 OF 1988

HON A J CANEPA:

Mr Speaker, is the Chief Minister saying that in fact he did not have to ask His Excellency the Governor for such information that that is being made available to him as a matter of course?

HON CHIEF MINISTER:

As a matter of course.

HON A J CANEPA:

And he will not be making any specific comments on the items on the Agenda.

HON CHIEF MINISTER:

I will not be volunteering any comments unless asked.

HON A J CANEPA:

Will the Chief Minister confirm that contrary to the impression that he often gives, he is not responsible for the conduct of Gibraltar's Foreign Affairs and that that responsibility lies with Sir Geoffrey Howe.

HON CHIEF MINISTER:

I am sure Mr Speaker, that I do not have to give the Honourable Member in this House, answers on what he thinks are impressions that others may have about what I do, because I cannot think of a more hypothetical chain of events. The Constitutional position of Gibraltar, as a Colony, did not change on the 25th March. That also is something the Honourable Member should be aware of.

HON P C MONTEGRIFFO:

Mr Speaker, have any special arrangements been entered into as to how decisions that may be taken at meetings at the Brussels Agreement level will be referred to and are implemented in Gibraltar?

HON CHIEF MINISTER:

There will be nothing agreed in those meetings which do not have the support of the Government of Gibraltar. I would have thought the Honourable Members opposite were very clear on what the policy of the British Government is in this respect because they have had it, publicly, and from no less a person than the Prime Minister herself. I think it is opportune to pay tribute to the categorical way in which she defended the

autonomy of the Government of Gibraltar and its right to take an independent line and did so no less than in Madrid itself. I think she is the Prime Minister that has been most forthright in defending our right of self-determination as a people. I have already written to her thanking her for this and I think it is something which I would wish to take this opportunity to put publicly on record.

HON P C MONTEGRIFFO:

Mr Speaker, is it therefore the Chief Minister's understanding that anything talked about whether in London in December or subsequently on the Brussels Agreement is on the basis that nothing will be agreed or can be agreed other than with the subsequent consent of Gibraltar. In other words Gibraltar has a veto on all such talks.

HON CHIEF MINISTER:

Mr Speaker, I am telling the Honourable Member opposite that it is not me that is saying it, that it is the Prime Minister of the United Kingdom that is saying it. The Prime Minister said in Madrid that on all matters, other than defence which clearly they are responsible for, including, in fact, foreign affairs, it was a matter that they had to take into account the views of the Government of Gibraltar and she went as far as to say that they could not force us to accept things, they could only try to persuade us. I think that we ought to be totally satisfied with those guarantees and we should have no fears that Sir Geoffrey Howe is going to sell us down the river when he meets Señor Ordóñez.

HON P C MONTEGRIFFO:

Mr Speaker, I am not suggesting that, but all I was trying to see was whether there was a prior arrangement that before decisions were taken at Brussels Agreement level, that all parties would understand that the implementation of that required Gibraltar's approval, subsequently Sir, in the light of the new Government's stand on the Brussels Agreement.

HON CHIEF MINISTER:

Mr Speaker, I do not know, since we have not supported the Brussels Agreement from inception, I do not know what decisions can be taken under the Brussels Agreement which can be implemented here without this House of Assembly having to approve it. I cannot think of any, because even in the field of the use of the airfield, where we are really talking about a military airfield, the British Government has maintained the position that it requires our approval and the change of our legislation, so it follows axiomatically that the British Government will only be able to pursue an agreement with Spain to implement something here, whether we like it or not, and that is not our policy, but if we accept that hypothetically that might be the case, that will only be the case if they went to the extreme position of using the reserve powers of the Governor to introduce

legislation without the approval of the House and that would create a constitutional crisis of the first order and I cannot imagine anything like that.

HON P C MONTEGRIFFO:

Mr Speaker, I am grateful, but this is precisely the point. The Government therefore does envisage, as a possibility, that agreements will be struck. The Airport Agreement is an Agreement, just like the Brussels Agreement is, which may then be subject to Gibraltar's implementation but which will have taken place anyway at that level.

MR SPEAKER:

I think we are beginning to debate.

HON CHIEF MINISTER:

I do not accept that an agreement can be struck or not be struck or maybe struck or may not be struck. The Honourable Member is asking me to speculate about what Sir Geoffrey Howe may say to Señor Ordonez or Señor Ordonez may say. One thing I can tell him that will not happen.....

HON P C MONTEGRIFFO:

You know the Agenda?

HON CHIEF MINISTER:

I said I will be informed of the Agenda at the appropriate time.

MR SPEAKER:

I think we should leave the matter as it stands.

HON CHIEF MINISTER:

No, no. I think there is an important point to be made, Mr Speaker, because the Honourable Member seems to be trying to put words into my mouth. So I will tell him what I can guarantee him will not happen. What will not happen is that we will not see, on television, the Chief Minister of Gibraltar peering over the shoulder of Sir Geoffrey Howe in London saying that there is no way that he is going to sell the airport deal, then coming back saying one thing on the Friday which seems to contradict everything that they have said previously and saying that it is the best possible deal for Gibraltar, and that we should accept it and then on the Tuesday resigning. That we will not see.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

Will Government make a full statement about the various joint venture companies that have now been established or on which there is a commitment to proceed with other interested parties?

ANSWERTHE HON THE MINISTER FOR TRADE & INDUSTRY

Sir, the Government has so far established two joint venture companies. The joint venture with British Telecom for the formation of Gibtel and the Gibraltar Land Reclamation Company, a joint venture with Volker Stevins dredgers and the three shareholders of Gibraltar Homes Ltd.

SUPPLEMENTARY TO QUESTION NO. 167 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, my question was aimed a little wider in that I actually said on which there is a commitment to proceed with other parties. My understanding and this has been in the press that there is a Joint Venture between GSL and Government on Electricity.

HON M A FEETHAM:

Mr Speaker, will the Hon Member give way.

HON P C MONTEGRIFFO:

Things like Building Societies which has been in the press yesterday and there is a cocktail party today to launch it, not that we have been invited of course.

HON M A FEETHAM:

Mr Speaker, that has already been answered yesterday on GSL as well as today in relation to the investment made in a particular Building Society.

HON P C MONTEGRIFFO:

Mr Speaker, I am asking for a full statement on the various companies that have been set up. Sir, the reason why we ask is that we are not clear and I think that the public are not clear, as to what exactly has been established. There are little snippets in the press, but I would have appreciated a comprehensive list of what has been established or is about to be established.

HON M A FEETHAM;

Mr Speaker, I think the only person unclear is the Member opposite. Yesterday you were given a list in relation to all the companies which have been formed in Joint Venture

with GSL participation. You were also informed in so far as the Joint Venture with the Building Society was concerned. The other two are the ones that I have just provided you with.

HON P C MONTEGRIFFO:

Mr Speaker, what about the joint venture with Westco Shipping Company, about which there was an advert in the Daily Telegraph. Is that a Joint Venture Company or not?

HON M A FEETHAM:

That has not yet been finalised.

HON P C MONTEGRIFFO:

Why has it been advertised in the British press then. Is there a commitment Sir. If you advertise in the British press do you not have a deal?

HON CHIEF MINISTER:

The moral of the story is do not believe advertisements.

HON P C MONTEGRIFFO:

But who paid for that advertisement?

MR SPEAKER:

Order, order. Next question.

HON P C MONTEGRIFFO:

Sir, with respect.....

MR SPEAKER:

The answer, and I have kept very quiet because I think you are entitled to press the Government, that you have asked what Companies have been established.....

HON P C MONTEGRIFFO:

And also the ones that they have a commitment to proceed with.

MR SPEAKER:

And one has to accept the answer that you have been given, that to date those are the ones. I may be wrong.

HON P C MONTEGRIFFO:

So Westco has not been established, there is no Joint Venture Company.

HON CHIEF MINISTER:

Not registered, we are not prepared, Mr Speaker, to debate in public the content of negotiations which are not yet finalised. Therefore a commitment, as far as this Government is concerned, and I do not know what understanding of the English language the Honourable Member opposite has, but as far as we are concerned a commitment is one where we have got to the stage, where even if it is not formally constituted, there is nothing further to discuss and therefore nothing that we say here will change the relationship.

HON P C MONTEGRIFFO:

No Sir.

HON CHIEF MINISTER:

But that is how we interpret it and that is how we answer it.

HON P C MONTEGRIFFO:

A commitment is when you get to the stage of.....

MR SPEAKER:

Order, order. We are not going to debate here as to what a commitment is. I think the Government is entitled to interpret it in their own manner and answer the question in a particular way.

HON CHIEF MINISTER:

Let me perhaps illustrate to the Honourable Member how he is wrong in the way he interprets it, to the way we interpret it, because it is not that we did something with Westco which is different from what we have done in other things. In that same supplement, the Gibraltar Supplement in the Telegraph, there was also a notice inviting people to write in for information on a variety of accounts that are going to be available under the Savings Bank Ordinance. We still require to amend the Ordinance, so according to him we should not be inviting inquiries because we have not done so yet.

HON A J CANEPA:

Are you intending to proceed?

HON CHIEF MINISTER:

The answer that I have already given, Mr Speaker, is that once we reach the stage where all that is required is the technical exchange of contracts to make it a reality, then we are prepared to make it public, not before.

ORAL

NO. 168 OF 1988

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THE HON A J CANEPA

Will the Chief Minister give details of all trips made by Ministers outside Gibraltar since 24 3 88, including countries visited, composition of the travelling parties, time spent away from Gibraltar, and cost of each trip to the Gibraltar taxpayer?

ANSWER

THE HON THE CHIEF MINISTER

This question was answered together with Question No. 164.

THE HON P C MONTEGRIFFO

Can Government confirm that the various systems set up to compile statistical information required by it have been completed and is Government prepared to make available to the Opposition such statistical information produced as a result on a regular basis?

ANSWERTHE HON THE CHIEF MINISTER

No Sir. The various systems to compile statistical information required by the Government has not been completed. As the Government has been saying since it took office, and as we said when we were in Opposition, it is quite obvious that the level of statistical information available currently is inadequate and insufficient for the detailed kind of planning of economic growth that the Government wants to do. Currently the Administrative Secretary has been looking at the Statistics Office with a view to re-appraising and upgrading the data bank and centralising it as a body of information from which the Government can draw in order to carry out its planning functions. In addition there is this question of the Input/Output Study which was commissioned well over a year by the previous administration from Associated Research Consultants and that study is practically complete and the Government is expected to receive the report on the study and the details of the computer model of the economy which will enable it to monitor, hopefully more effectively in the future, the performance of the economy than has been possible in the past. As well as this in my initial meeting with Sir Geoffrey Howe in April, I requested assistance from the United Kingdom for a Computer Expert to look at the whole business of the collection of data by different Government departments and the centralisation and processing of this data. The computerisation of the Government systems is a clear priority for us in terms both of improving Government efficiency and improving the preparation of statistical information. I am happy to say that the United Kingdom Government agreed to provide this assistance and that the experts from the UK Governments own central computer systems came to Gibraltar and did a study. The basic conclusions of that study was that the scope for improvement is tremendous but that with the present lack of clear cut organisation structures in the Government it would be a serious mistake to seek to computerise the existing systems. The advice from UK is that we should continue with the present inadequate systems for the time being until the re-organisation of the public service itself has been completed and new and clear cut lines of communications established which could then be computerised and handled in a more efficient way in terms of information data computation and collection. The process is one therefore that will be improving over the next 12 months but we do

not expect to have made a dramatic change in the system of collection in a time scale shorter than that. As regards providing the Opposition with information on a regular basis clearly not all the information will be available, some information is internal which the Government must keep for its own planning purposes but if the Opposition tell us what information they wish to have we will see to what extent it is possible to meet their request. At the moment all the information that we have is the one that was available to the previous Government and we cannot in fact vouch for its accuracy because the collection systems require major reforms.

SUPPLEMENTARY TO QUESTION NO. 169 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, I am grateful for that information. However just like the Government does not close its doors to initiatives from the Private Sector, we in the Opposition do not close our doors to information. What we would like to see, is all information.....

MR SPEAKER:

No, with respect, I am terribly sorry. You must restrict yourself to seeking information and not to make statements. What are you asking?

HON P C MONTEGRIFFO:

I am just introducing the matter. I am asking.....

MR SPEAKER:

No, with respect, no introductions.

HON P C MONTEGRIFFO:

I will then ask a question. Will the Government confirm that it will make available to us information, of a statistical nature, as and when the system is set up?

HON CHIEF MINISTER:

I am not sure I understand what the Honourable Member means. All the information will be of a statistical nature when it is produced. What we are saying is that some of the information, of necessity, is going to be confidential. For example, we are planning, as the Honourable Member may know, to bring an amendment to the Income Tax Ordinance which will enable the Government to have access to information which will assist them in their economic planning. That information cannot be divulged to anybody. However it is information of a statistical nature. There are ways of compiling the information which clearly can be more refined for internal use and of necessity will have to be in broader categories for external use, so that individual firms or whatever cannot be identified. Unless one is able to reassure respondents of the confidentiality

of the information that the Government is requiring them to provide, people will be very reluctant to provide the information in the first place.

HON P C MONTEGRIFFO:

Mr Speaker, is the Government then able to undertake to provide a list of the information produced.

HON CHIEF MINISTER:

Mr Speaker, it is our intention to continue with the legal requirement to publish the results of Employment Surveys and Tourist Expenditure Surveys. The Honourable Member may have noticed that we have not tabled the Tourist Expenditure Survey, in this House, because we are completely dissatisfied with what was being produced before. In fact the Survey that we were supposed to bring to this House is the one that was conducted in October 1987 under the last administration. One of the things that we have already identified, is that in the number of tourists that were being claimed to be visiting Gibraltar was included every Spanish worker who was being counted over the year as being 300 tourists, because they counted him every time he came in. We are certainly, when publishing those figures, ensuring that this type of thing is eliminated and are looking at the existing systems of collections and seeking to improve them so that they more accurately reflect reality. The Honourable Member opposite will have that type of information. When we introduce the new areas that we want to investigate, and they are going to be investigated specifically to enable us to obtain certain information, in order to decide whether we are going to do something or not do it. I do not think that that type of information is something that we are going to make public and I do not think we can give him a list of all the things that we are planning to do on the basis that we are collecting statistics for it.

HON P C MONTEGRIFFO:

Mr Speaker, the point I was making is, would the Government be in a position to provide us, in confidence, with a list of the nature of the statistics they are producing to allow us to say we would like to see (a) to (b) or (a) to (c) or (a) to (d), and then the Government can take their own decision in saying, well I will not give you (a) to (c) because it is confidential, but I will give you (b) (c) and (d).

HON CHIEF MINISTER:

I do not think the Honourable Member opposite, Mr Speaker, by the nature of his question, has got a clue as what it is we are doing. Let me give him an example. I have asked for a statistical breakdown of the employees of the Government by sex and age to enable us to make demographic projections. This is a management role which frankly should

not require a political decision, because the good management of the composition of the workforce of any organisation, as big as the Government of Gibraltar, which employs 4,100 people, ought to include forward planning. I do not think it would be proper for us to provide that kind of information because it is an internal matter.

MR SPEAKER:

No, the Hon Chief Minister is being asked whether Government is prepared to identify to the Opposition the type of statistics that are being compiled at any stage.

HON CHIEF MINISTER:

Mr Speaker, I am identifying publicly the kind of work that we are doing on the statistical side. On the one hand we are refining the existing collections of statistics to produce, hopefully, more accurate figures using existing systems and that will be reflected in the statistics in the Abstract Statistics, in the Employment Surveys and in the Tourist Expenditure Surveys. Those surveys account for 90% of Government statistics. The other 10% of Government statistics are of the kind I have just mentioned like amending the Income Tax Ordinance, where we are talking about providing more efficient management tools for managers within Government services. This is to be able to take, if you like, more intelligent decisions on the basis of having more information. However that is 10% and that is, as far as we are concerned, an internal matter. Having said that, if there are other statistics that the Member opposite feel that they would like to see done or collected and which we might not have thought of, we will be happy to look into that possibility.

MR SPEAKER:

In other words what you are being told is that Government will publish all statistics other than those 10%, which they consider to be confidential. It is as simple as that.

HON P C MONTEGRIFFO:

We will therefore have to guess everything, that for example, the Economic Council will get when it is constituted in 1989 or whenever?

HON CHIEF MINISTER:

Mr Speaker, unless it is a matter that is sensitive, yes, we intend to give as much publicity to these things as possible.

HON P C MONTEGRIFFO:

One final question, Mr Speaker. The Economic Council will have Trade Union representation, Chamber of Commerce representation but no Opposition representation? I would

like an undertaking that we will get equivalent information to what those other sectors will have within that forum. I think that is fair, within the scenario of Open Government.

HON CHIEF MINISTER:

Mr Speaker, the Government has never thought of including the Opposition on the Gibraltar Economic Development Council because, in fact, I do not think it is a normal thing. The model that we are using is one which is based on employers, employees and Government working together on the Economic Model. The Economic Model itself will be a public thing, because it is based on the Input/Output Study, which I mentioned in my original answer, and which was commissioned under the previous administration. It is being undertaken by Dr Fletcher and I was told about a week ago that it is now practically ready. We are expecting Dr Fletcher here within a week or two with the Computer Analysis and with the hardware for the Government to be able to monitor the economic situation more efficiently. All that data, subject to such things that need to be kept confidential so as not to pinpoint individual sectors, which in an economy as small as ours, must always have a caveat because if there are so many people in shoe repairing in Gibraltar and they are earning so much money and there are only two people repairing shoes, you know who they are and you know what they earn. No Government has the right to reveal that kind of information. So subject to protecting the anonymity of the contributors, by and large, the bulk of the information on which decisions have to be taken will be public information.

MR SPEAKER:

Next question.

THE HON P C MONTEGRIFFO

Can Government confirm what it expects the economy to grow in the year since its election in March 1988?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, the commitment of the Government is still to produce a growth in the economy of Gibraltar in its 4 year term of office of around 50%. That, in fact, translates into an average rate of growth of around 12% per annum. The position is that the calculation of economic growth in Gibraltar takes a very long time using existing systems and therefore we have not got up to date figures showing what the growth was in the last financial year. The tentative figure for growth shows that the Gross National Product increased in 1986/87 by a total of some 7% plus in real terms. We have had indicators that in the year 1987/88 this growth was in fact slowing down and we cannot yet estimate what the eventual figure for 1987/88 could turn out to be. In particular the last quarter of the financial year which are the first 3 months of this calendar year, January, February, March there was quite a dramatic slow down in the economy affected by a number of factors including the question of the redundancy situation in the commercial dockyard, the ending of the RFA work in November 1987, the lack of ODA funds and the effect on visitors to Gibraltar of the IRA incident. All these factors in some way or another affected the level of economic activity and therefore the growth for 1987/88 will have been influenced in particular by this last quarter. The declining trend continued into April from the assessment that we are able to make which, as I have said, is based not on up-to-date quantified statistics but on indicators such as employment levels, earning, import figures and revenue yield of the Government, all of which tend to point in one particular direction or the other. This slowing down therefore affected the first quarter of the current financial year. However the economy started picking up again during the summer months. The import figures in fact and the level of import duty reflected in the Estimates of Expenditure that my Government presented at Budget time included the position of the new Government in its plans for economic growth in the sense that the Treasury Estimates for this year was in fact a revenue yield from import duty of £12½m and that was based on the trend of the first quarter of this year. We, in fact, asked the Treasury to increase its estimate to £13m on the premise that the Government would be taking active measures to produce a higher rate of growth and that therefore the projection should not be based on the assumption that there would not be any change of policy from the position existing under the previous Government when, as the Honourable Member

opposite will recall, he was arguing during the election campaign that the economy was doing so well, that it just needed fine tuning. In fact had we stuck to fine-tuning it is quite clear that this year the actual growth could have been below 5% based on what was already a declining trend in the first quarter of 1988/89. We are hopeful that with the measures that we have already introduced to restore a modicum of health to the Shiprepair Yard and the fact that it has been successful in attracting more work there, with the impetus that will be given to the local economy by the new projects which will be starting over the next few months we hope that the second half of the year, that is to say the period from September till March will show a growth rate which will be annualised at something like perhaps 9% to 10%. This is the kind of targetting we have at the moment and that therefore given that in the first six months of the financial year the rate of growth was relatively poor that is to say by the kind of standards that we are setting ourselves, we plan for the whole year to get back to the 1986/87 rate or slightly better and that therefore as I said the tentative figure that we have got is GNP growth of about 7%. We are hopeful that taking into account the improvement in the second half of the year, this year we should be able to manage 6½% to 7% and then in the following year the rate of growth will be much greater as we build up on new projects. The target of the Government is still to achieve 50% over the 4 year period and consequently if we are starting on a slightly lower growth this year we will be expecting much higher growth in subsequent years. Barring any unforeseen problems and to some extent all these factors are conditional on what happens with Spanish pensions, our ability to take advantage of the changes in the European Community brought about by the Single European Act, and the future success of the commercial dockyard. So I would not want Mr Speaker to be held by members opposite to what are guidelines at this stage on a month to month or year to year basis but I still stand by the position of the Government that we hope and we are confident that we can expect the level of increase over the life of the Government that we set ourselves as our target in the election campaign. It is attainable we are confident that it can be done. It depends not just on the Government of course, it depends on the response of the people of Gibraltar to the new challenges facing us and to the new policies and the changes that we are introducing. If we get the support to the programme that we want, the programme will produce a 50% growth. If some people at different levels fail to respond to the programme then the 50% will not be achieved but we are completely convinced that it is attainable.

SUPPLEMENTARY TO QUESTION NO. 170 OF 1988

HON P C MONTEGRIFFO:

Mr Speaker, what level of increase of employment does the Chief Minister envisage as part of this growth in the forthcoming year?

HON CHIEF MINISTER:

The Government is looking for a rate of growth in the number of jobs, lower than the rate of growth in the economy. We have now carried out an analysis for the first time of the performance of the past, and for example, the 1985/86 boom of the open frontier is not such a boom when you compare it with the growth in employment and the implications that that has had. So in fact, the rate of growth brought about by the open frontier comes down to a mere 2½%, if you take into account that to produce more wealth, you are employing more people. So part of the strategy is that the employment market will grow slower than the economy grows and therefore the per capita output in terms of employed workers will be higher than it has been in the past. We are looking to a situation where growth in productivity will be responsible for continued increased employment, we would expect the other 6% to be by increased output per capita.

HON P C MONTEGRIFFO:

So we are looking towards a figure in four years time of 50% increase in employment levels?

HON CHIEF MINISTER:

No, not necessarily. I have just explained the opposite, Mr Speaker.

HON P.C MONTEGRIFFO:

Sorry, I misunderstood then Sir. By what figure then does the Government expect employment to go up by in the next four years?

HON CHIEF MINISTER:

That is exactly the same question that he asked me and I have just given him a comprehensive answer.

HON P C MONTEGRIFFO:

As a figure, Sir.

HON CHIEF MINISTER:

I cannot say to him there are going to be 3,000 more people working in five years, if that is what he is asking me to do. Presumably he will not want me to be, if you like, very unprofessional in the analysis since that would be the kind of figure that it would imply. What I am saying is, let me perhaps translate it into an example so that the Honourable Member will comprehend better. I accept that I tend sometimes to forget that I use specialised language which not everybody can follow. If you have a situation where there are 100 people employed in Gibraltar producing £100 and we increase the economy by 20% and we

increase the labour by 20% we finish up with 120 people producing £120, and nobody is better off, because they are each getting £1. That is what has been tending to happen until now. In fact in 1986/87, the initial figure that I have is that, in terms of per capita GNP related to the employed population, the actual increase has been miniscule, something like 0.5%. So what do we say then, we have a situation where the economy has grown by 7%, but 6½% of that is due to employing more people and ½% of that is due to those employed producing more. We want to break that relationship and we want to have a situation where the bulk of the growth is not us importing more labour, in order to produce more, because that is money that comes in with one hand and goes out with the other. But with the same labour, each and every one of us, producing more wealth and consequently that wealth will be there to be distributed back into the economy. Our target is that out of the 50% growth over the next four years, half the growth, will be generated by increased productivity and half the growth will be generated by increased employment. I can only give him this kind of targets as an indication of the focus of the Government. I cannot then say, well that will mean that we will employ 2,500 people because it does not translate into that.

HON P C MONTEGRIFFO:

Fair enough, thank you.

HON DR R G VALARINO:

Mr Speaker, talking about the economy as a whole, does the Honourable the Chief Minister then contemplate a surplus or a deficit in next year's budget.

HON CHIEF MINISTER:

No, the position in next year's Budget is that we contemplate a deficit. We hope that the deficit will be reduced next year to about half of this year and we are trying to control this year still, although as the Honourable Member will see, we have again quite a lot of supplementaries provisions to approve in this House. We are still hoping to remain on target for total Recurrent spending of about £78m, with a deficit of about £4m. The targets that I explained in the Budget we are still hoping to stick to. This will mean that the deficit in 1989/90 will be brought down to £2m and in 1990/91 we will break even. That is still the position that we are aiming for. At the moment, we seem to be able to retain that trend, on present up to date figures we think we can say that.

MR SPEAKER:

Next question.

THE HON A J CANEPA

Can the Chief Minister explain how the information which he has so far made public about his continuing talks with Mrs Lynda Chalker conform with his previous assertions that he would not keep such exchanges confidential, but would keep the public fully informed?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker the information that I have made public about my talks with Mrs Chalker conform entirely with my assertions that such exchanges are not kept confidential and that the public should be kept fully informed. The only caveat that I introduced to this was in respect of my first meeting with Mrs Chalker where she asked me not to refer to the amount of money the British Government might be putting up or not putting up in what was then a very sensitive situation where the money was running out in September and without any promise of funds from the United Kingdom our Government intended to suspend the payment to Spanish pensioners. Mrs Chalker felt that until she had been able to confirm what was on offer I should not make a reference to what was then a tentative offer and it was purely in respect of that element that I felt that she had the right since she was providing the money to ask me not to make it public and I did not do so until in fact the negotiations were finalised. In all other respects the position of the Government is that we keep our people fully informed more than they have ever been informed in the 16 years of the AACR administration and that we intend to carry on doing so. If at any stage I am not prepared to go into any details it is not a matter of confidentiality it is a matter of pragmatism in the sense that I am not going to give away my cards before the game starts and therefore for example if I am meeting Mrs Chalker on Friday and I have to listen to what she has to say and put the position of the Government of Gibraltar in a difficult negotiation I am not going to give a public explanation of what I am going to say in those negotiations before the negotiations take place and if we have left unresolved issues which are currently under discussion then those unresolved issues must for the time being remain within the purview of the Government until the thing is completed. But once the thing is completed I am quite happy to take people entirely into the Government's confidence.

SUPPLEMENTARY TO QUESTION NO. 171 OF 1988

HON A J CANEPA:

Does the Chief Minister realise that his apologetic comment, after his return from his first meeting with Mrs Chalker,

has cast considerable doubt on the would be policy of open Government.

HON CHIEF MINISTER:

Mr Speaker, the only person that I have heard describing my comments, as apologetic, is the Honourable Leader of the Opposition. I imagine the Honourable Member did not vote for me on the 24 March and I do not expect him to be voting for me in 1992. After my return from the United Kingdom, when we had been in Government for about three months, which is the date that we are talking about in July, the Panorama conducted an opinion poll which showed that our support had grown from 58% to 70%. That does not give me an indication that people were dissatisfied with my comments when I came back from Mrs Chalker.

HON A J CANEPA:

Maybe the Chief Minister, Mr Speaker, having regard to the amount of time that he now spends in No.6 and not walking around and talking to people as he used to, is not aware, of the extent to which there is adverse comments about that. I can assure him that that is so.

HON CHIEF MINISTER:

I am not sure that that is a question, Mr Speaker, but one thing that I know, because I know my people very well, and that is that I have no doubt that the same people that say adverse things to him about me, are the people that say adverse things to me about him.

HON DR R G VALARINO:

Mr Speaker, will the Honourable the Chief Minister keep both the Leader of the Opposition and myself informed on a confidential basis, if anything comes out of these meetings with Mrs Chalker?

HON CHIEF MINISTER:

Yes, Mr Speaker, I am quite happy to give an undertaking to the Honourable Member opposite that we will give him a briefing as soon as I get back from the meeting with Mrs Chalker, and give him a completely up-to-date picture.

MR SPEAKER:

Next question.

THE HON DR R G VALARINO

Will the Chief Minister explain how the Government intends to compensate the lower level of benefits that may be suffered by Gibraltar pensioners if a "parallel fund" on the UK lines replaces our Social Insurance Fund?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker I will answer Questions Nos. 172 and 173 together.

As I have just explained, Mr Speaker, in Question No. 171, the Government is not going to give away its negotiating positions in anticipation of the meeting with Mrs Chalker on Friday. The way the Government intends to protect Gibraltar's position will depend on the nature of the agreement that is reached with the United Kingdom if an agreement is reached. If no agreement is reached then we are in an entirely different ball game. I will remind the House that of course there is a motion on the subject of the pensions moved by the Leader of the Opposition, which will be debated by the House, after my meeting with Mrs Chalker, and we will then see what the position is. But certainly the degree to which we give public explanations at this stage must of necessity be conditioned by what is in Gibraltar's best interest, but whatever we are doing we are doing in a way which is compatible with the requirements of Community law. I would also add that the commitment that I just gave the Honourable Member, in answer to the previous supplementary, will of course hold too.

MR SPEAKER:

Next question.

ORAL

NO. 173 OF 1988

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THE HON DR R G VALARINO

Mr Speaker, will the Chief Minister explain to the House the present state of discussions on a "parallel fund" with the British Government in order to meet the Spanish pensions liability?

ANSWER

THE HON THE CHIEF MINISTER

This question was answered together with Question No. 172.

THE HON A J CANEPA

What effect will the non-availability of the £6m ODA grant have on the financing of the Government's overall development strategy and on the general projections given by the Chief Minister during the debate on the 1988-89 Appropriation Bill?

ANSWERTHE HON THE CHIEF MINISTER

The effect of the non availability of ODA grant on the current financial year is going to be the same as the effect it had on the previous financial year when the Honourable Member was the Minister responsible for Economic Development. I will remind the House, Mr Speaker, that in the year 1987/88 the Government announced at Budget time anticipated development aid receipts of almost £2m, £1.906m to be precise. In actual fact what they had in the year according to the revised Estimates produced by the Treasury was £442,000 and therefore there was a shortfall of £1½m in 1987/88. In the current financial year 1988/89 the Government again budgetted for around £2m, in fact £2.016 to be exact and we anticipate that the shortfall this year will be of the same order as last year or around £1½m and that therefore the effect on this year's Estimates to this extent will be the same as the effect on last year's Estimates. As I have already made clear, my Government is not planning its economic programme and the growth of the Gibraltar economy on the back of UK Development Aid. We think that Gibraltar can pay its way and that it will pay its way other than on the subject of Spanish pensions where we are not in a position to contribute anything and therefore the future programme of the Government is unaltered by the position of the British Government on Development Aid. If the remaining funds from ODA are not available then clearly the projects for which that money was intended all of which were projects decided by the previous administration who got the money in 1984/85 but regrettably had not spent it by the time we came in will have to be reconsidered. We would then decide how many of those projects we want to include in our programme and what priority should be given to them. But as far as this particular financial year is concerned the effect is that the shortfall is going to be of the same order as it was last year. However the difference in this year's Improvement and Development Fund is that in the case of the previous administration not only did they fail to get £1½m of UK Development Aid money but they also failed to spend a great deal of their own money. The position last year for the Improvement and Development Fund was that there was also a £6.6m allocation of Gibraltar money and as regards the Gibraltar money the position is that the actual turn out was about £2.8m so we have a situation where the previous Government of Gibraltar failed to get £1.5m and failed to spend £3.8m of Gibraltar money. So it is on

the Gibraltar money side that we expect to do better that is to say we anticipate that the total amount being spent in this year's Improvement and Development Fund from the present Gibraltar Government side will be on target and we are looking at ways of increasing the amount of the Gibraltar Government side so as to take up any slack due to the non arrival of UK funds. This is reflected in the Supplementary Appropriation Bill we are bringing to this House.

SUPPLEMENTARY TO QUESTION NO. 174 OF 1988

HON A J CANEPA:

Mr Speaker, I do not think the Chief Minister has entirely understood my question. It does not just refer to the projections for 1988/89, my question is about the financing of the Government's overall development strategy and I would therefore ask the Chief Minister, is it not a fact that the Government have included at Budget time the £6m in the overall Government strategy, they were banking on it, they were depending on it, and therefore it figured in their projections, is that not so?

HON CHIEF MINISTER:

The answer is no Sir, it is not so.

HON A J CANEPA:

Then I will refer him to the answer Mr Speaker, to question No.52, the answer which Mr Feetham gave me, where he said, "We are also exploring the best ways of financing the overall development strategy including the optimum allocation of the £6m ODA grant given in 1986, so in that overall development strategy, Mr Feetham was telling me, "I have included the £6m, it is just the case of looking at the best way of spending it.

HON CHIEF MINISTER:

Mr Speaker, in the 1988/89 Appropriation Bill, which is what the Honourable Member's question refers, what we did was.....

HON A J CANEPA:

No, if you look at the question again, it said, during the debate on the 1988/89 Appropriation Bill, but the Chief Minister made projections which went well beyond 1988/89, it was for the whole of the four year term.

HON CHIEF MINISTER:

The projections that we were making during the debate in 1988/89 on recurrent spending and on capital spending are unchanged by the £6m. The £6m as far as we are concerned was something that was not crucial to the target of moving up from £8m to £12m to £16m and to £20m, because we are talking about a situation where over the four years, we

are spending something like £60m or £70m and the £6m of ODA money in that overall total capital spending, which is around 9½% or 10% is something which we can easily absorb. What we were doing was taking into account that that money was there and in fact at this stage we had not ourselves sought any contributions from UK other than for the land reclamation programme, which I raised with Sir Geoffrey Howe in April when I saw him, and I suggested to him that we should get some of the money from the unallocated ODA £6m for the land reclamation programme which they said they would look at, but in fact nothing happened. Apart from that, the only thing that we reflected in the programme was the things that had already been submitted to ODA and on which they had not yet answered, like the Water Catchments and the Network analysis and the moving of the Hesses Pumping Stations, so the programme of spending from the Improvement and Development Fund over four years included in it those projects on which an answer was awaited and had the answer come that would have been it. Given that there was a little of money still left over of about £2m, which was not already earmarked by the Government at the time that we took over for specific things, we are looking to using that £2m, but that £2m in the overall capital programme is so small, that it is neither here nor there.

HON A J CANEPA:

If the ODA money Mr Speaker, is not available for these specific projects, then the Government surely, is going to have to depend on its own resources, such as borrowing in order to finance these projects, is that not so?

HON CHIEF MINISTER:

That is so, but as I have already said in my answer, it will then be looked at on the basis of if we are going to spend so many millions of pounds a year, what priority will this particular project have given that it is now our money that we are using rather than ODA. Frankly what we said to ourselves was from what our officials told us, if we had already got a situation where the previous Government had made a submission in July 1987 for moving the Hesses Pumping Station, we were told "for heavens sake do not change the submission now, otherwise we will never get it". It is better to carry on with what has already been put in and try and get them committed to that, and at this stage that is what we are still doing, trying to get them to finance the projects that were put in 1987. We have not asked for any money for anything new. If they turn that down, then we will reassess the 1987 projects in the light of the fact that we finding the money ourselves and whether we want to spend the money on those things or on something else, depending on the priority that they have, but the total amount will not be reduced.

HON A J CANEPA:

But some projects may have to be sacrificed in order not to reduce the total amount, is that not so, having regard to the Government's priorities?

HON CHIEF MINISTER:

No, the amount of Gibraltar Government money provided will be increased to compensate. So if we have got a situation where, for example, next year we were saying we are going to spend £12m, and of that £12m we said to ourselves £2m was going to be ODA money and £10m was going to be Gibraltar money, we will put into next year's Budget £12m as originally intended, but the £12m will all be Gibraltar money. The project will not be sacrificed because there is no money, the project may be sacrificed because we want to spend our money in a different way.

HON A J CANEPA:

And therefore, Mr Speaker, does the Chief Minister not accept the decision that the British Government has taken on the ODA money effectively means that more Gibraltar money will have to be made available for projects which otherwise they would have paid for.

HON CHIEF MINISTER:

I cannot know that they would have paid it because when previous Governments tried to get them to pay for the last four years unsuccessfully, but I am not disputing the fact that I think, it is totally wrong of them to have used money that they promised Gibraltar in 1985 to pay Spanish pensions. If that is what the Honourable Member wanted me to say, then I have no problem in saying it.

HON A J CANEPA:

Does he accept that indirectly we, the people of Gibraltar, are going to have to be indirectly footing the cost of that decision which the British Government has taken if we want to carry on with a programme which the Government had.

HON CHIEF MINISTER:

We are not going to be footing it indirectly, because as I have already said Mr Speaker, that the situation as far as I am concerned is that it is quite obvious to me that having promised that money in 1984/85, the British Government even before the money for the pensions run out, was hanging back on providing that money. If you have got a situation where I have inherited a theoretical amount of money that I can use and a theoretical project on which I can use it, if I do not get the money I may decide not to do the project, so it is not that the project is going to be done with Gibraltar money, it is that the project all together, independent of the question of Spanish pensions. Therefore, what we are doing is ensuring that the level of economic activity, which is an integral part of the planned economic growth does not suffer because of the non availability of ODA funds. But it does not mean that because instead of the money going to a computer analysis of the water system, it is going into Spanish pensions, am I now going to use Gibraltar money to pay

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for the computer analysis, the answer is no, I may decide not to do the computer analysis. I am only doing it because it was already there.