

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

24TH JANUARY, 1989

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Fourth Meeting of the First Session of the Sixth House of Assembly held in the House of Assembly Chamber on Tuesday 24th January, 1989, at 10.30 am.

PRESENT:

Mr Speaker (In the Chair)
(The Hon Sir Alfred J Vasquez CBE, QC, MA)

GOVERNMENT:

The Hon J Bossano - Chief Minister
The Hon J E Pilcher - Minister for GSL and Tourism
The Hon J L Baldachino - Minister for Housing
The Hon M A Feetham - Minister for Trade and Industry
The Hon J C Perez - Minister for Government Services
The Hon Miss M I Montegriffo - Minister for Medical Services and Sport
The Hon R Mor - Minister for Labour and Social Security
The Hon J L Moss - Minister for Education, Culture and Youth Affairs
The Hon E Thistlethwaite QC - Attorney-General
The Hon B Traynor - Financial and Development Secretary

OPPOSITION:

The Hon A J Canepa - Leader of the Opposition
The Hon P C Montegriffo
The Hon M K Featherstone OBE
The Hon Dr R G Valarino
The Hon G Mascarenhas
The Hon Lt-Col E M Britto OBE, ED
The Hon K B Anthony

IN ATTENDANCE:

C M Coom Esq - Clerk of the House of Assembly

PRAYER

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 15th November, 1988, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

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

- (1) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No. 3 of 1988/89)
- (2) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No. 4 of 1988/89).
- (3) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No. 2 of 1988/89).
- (4) Statement of Supplementary Estimates (No. 3 of 1988/89)
- (5) Statement of Supplementary Estimates of 1986/87 (Excess Expenditure).

Ordered to lie.

ANSWERS TO QUESTIONS

The House recessed at 1.00 pm.

The House resumed at 3.30 pm.

Answers to Questions continued.

SUSPENSION OF STANDING ORDERS

HON A J CANEPA:

Mr Speaker, I think I am required to ask the House to suspend Standing Order 7(3) in order that, by prior agreement that we have had and consultation, we should now deal with the motion that I gave notice of some time ago rather than dealing with Government legislation. Therefore, I ask the House for leave to suspend Standing Order 7(3).

Mr Speaker put the question which was resolved in the affirmative and Standing Order 7(3) was accordingly suspended.

PRIVATE MEMBERS' MOTIONS

HON A J CANEPA:

Mr Speaker, I have the honour to move that this House:

- (1) considers that the appointment of a Speaker to the House of Assembly should be made with the support of all political forces represented in the House;
- (2) urges that the process of full consultation envisaged in the Gibraltar Constitution should be carried out with a view to agreeing a suitable candidate; and
- (3) that it is essential that no appointment should be made until a candidate acceptable to all such political forces is agreed on.

Mr Speaker, last April during the course of the Ceremonial Opening of this House, I said, when I addressed the House that it would be interesting to see how much heed the Government would take of the views of other political interests such as those represented by the Opposition and I would submit to the House, Sir, that there can hardly be a matter that could come up before this House in which more weight can and should be given to the views of the Opposition than on the question of the appointment of the Speaker of this House, the person who is to preside over the proceedings of this House. In my view there is hardly any matter that can come before this House that is or should be fundamentally non party political, according equality to all the political forces which may be represented in this House from time to time and which in this case are the GSLP Government and the AACR Opposition. No other matter could come up which should afford such equality than the appointment of a Speaker and I would submit Sir, that in Section 26 of the Constitution there is enshrined the principle of such equality, where it states and I quote "The Speaker of the Assembly shall be appointed by the Governor acting after consultation with the Chief Minister and with the Leader of the Opposition". Sir, why else should the Constitution contain and make provision for consultation of both sides of the House in such a balanced manner if it was not actually intended that it should be carried out and carried out, I would submit, fully. The Constitution treats the Government and the Opposition equally in this matter other than the fact that where as the Government with the majority of eight votes as against seven can effectively veto any appointment made by the Governor by not confirming with their votes such an appointment in this House whilst the Opposition with only seven votes is not able to do so. In legislatures which are modelled on the Westminster pattern, and the Gibraltar House of Assembly is such a legislature, the historical and the traditional manner in which a Speaker is selected and appointed is one that accords full equality of treatment to all the political forces represented in that legislature and in particular to the official Opposition. Thus Sir, in the United Kingdom, in the House of Commons, the Speaker is selected by consultation, by discussion between the Prime Minister and the Leader of the Opposition. The Speaker, the Candidate for Speaker, is a person acceptable to both sides of the House, he can come from both sides of the House, either from the Government benches or from

the Opposition benches and it is a traditional time honoured custom that the sponsors of the candidate for the office of Speaker jointly persuade, drag, the reluctant candidate, reluctant for historical reasons, something which I think all Parliamentarians and others who are familiar with the history of parliamentary democracy know about, traditionally whoever is selected the Speaker, has to pretend that he is reluctant to take the office and he is escorted by his sponsors from both sides of the House in this time honoured ceremony when he takes the Chair for the first time. That historical and traditional practice is carried over in other legislatures throughout the Commonwealth, in particular, which are modelled on the pattern of the United Kingdom by the consensus that there is when selecting someone to hold the office of Speaker. In the case of our House of Assembly one of perhaps the fundamental differences, in selecting a candidate, is the fact that invariably such a person has been selected and has to be selected from outside the House. He is not already a Member of the House and only becomes a Member of the House once that appointment is confirmed by the House. I would however submit that the intention, what is provided for in the Constitution, in no way cuts across or infringes that traditional, historical way of going about it and that essential underlined principle that the person selected should be acceptable to both sides of the House. There are in fact historical precedence here in Gibraltar, in our legislature, and you yourself Sir, emerged as a result of a process of consultation without necessarily being the first candidate whose name was mooted for the post at the time. Mr Speaker, without wishing to drag you into the controversy which has been engaging the attention of the House in recent weeks, and in particular naturally ourselves in the Opposition, I venture to suggest, Mr Speaker, or at least I feel bound to point out to Honourable Members that the views which you have expressed in very general terms and which are quoted in an article in the December/January issue of the 'Hi' Magazine are of a clear-cut nature and which I would say require that all Honourable Members, given the fact that you have been Speaker of this House for close on twenty years with the full support of all Members of the House over that period of time from various and different political parties, that such views be given a considerable amount of attention and weight, and in particular, the fact that you are quoted here as having said "that you insisted at the time when you were nominated, before being nominated that you should have the support, you made it a requirement, that you should have the support of all Members of the House and that you do not envy the task of anyone holding the office of Speaker who does not have the unanimous support of the House". I honestly thought, Mr Speaker, knowing the provisions of the Constitution and being fully aware of how the office of Speaker has been filled in Gibraltar in the past, over twenty years ago on two or three occasions, I honestly thought that after the general election, immediately after the general election, since we knew that it was your intention to retire, some time shortly after that, that the Chief Minister would have got in touch with me, invited

me to a meeting, at which we would have discussed the matter and that from our discussions and our consultations, a candidate would have emerged whom both sides of the House could support. Instead what happened was that it was not until October, nearly seven months after the general election, that the Chief Minister wrote to me inquiring or informing me, first of all, that the Government considered that a certain person was ideally suited for the position of Speaker and asking me whether the Opposition would support such an appointment. Shortly prior to that I had had a meeting with His Excellency the Governor on the matter, and I realise the Chief Minister was busy throughout the period between the end of March and October, and as you were not stepping down, Sir, until the end of the year, I realised that perhaps there was no need for him to have taken an initiative very early on, but it became clear during my meeting with the Governor that perhaps it was as a result, and the timing of it I think is indicative of that, the timing of the letter, that it was as a result of the Governor prodding the Chief Minister that he formally wrote to me the letter of the 10 October. I replied a couple of weeks later informing the Chief Minister that we could not support the candidate that he had given me an indication of in his letter, but that I was willing to have a meeting to arrive, to try, to arrive at a consensus on a short list of possible candidates who could be approached, and if they agreed to be considered, that they could be submitted to the Governor for him to make the necessary appointment. Again, I was acting in pursuance of the view that I had, that it was a matter for the Chief Minister and the Leader of the Opposition, to discuss to try to reach amicable agreement on and then one or the other or both jointly approach the Governor for the appointment to be made. Instead what happened was that on the 9 November, the Chief Minister wrote to me saying that the Government felt and I quote "It is not a matter of looking at alternatives, and insisting the Government candidate was the best and the right person for the post and that he was therefore writing to the Governor requesting that the appointment be made". During the summer, in the meantime Mr Speaker, there had been what can only be regarded as leakages to the media about the preferred Government candidate and in fact the person concerned was interviewed on television about the possibility or the likelihood, I should say, of such an appointment. I think that those leakages, I can only construe those leakages, as being an attempt to put the Opposition and perhaps even the Governor in a difficult position on the matter and again, I would suggest that that was not indicative of the spirit behind the relevant section of the Constitution. Nor for that matter can it be said that that spirit was being maintained by statements made by the Government's preferred candidate, on television, to the effect that if the Opposition voted against well it was just too bad, we would have to come around sooner or later accepting him as Speaker. I think that such a way of proceeding, Mr Speaker, is totally unwarranted and it is perhaps indicative of the Government's whole attitude to the Opposition. Let not the Chief Minister say that this is

how he himself was treated in the past because the issue of the appointment of a new Speaker is not one that has come up before the House since we both became Members of the House in 1972 and even moreso has not come up during the two occasions when he himself has been Leader of the Opposition, so he can hardly say that he is doing unto me what has been done unto him in the past. On the 19 December, Mr Speaker, I wrote to him because I knew that an appointment was imminent, and perhaps if I had not written to him on the 19 December, the appointment might have been made already for all I know, since he had on the 9 November informed me that he was asking the Governor to proceed with the appointment of this person that I have been referring to. So on the 19 December I wrote, drawing his attention to the motion now before the House, that I had given notice of this and I asked him in order that the debate could proceed in a meaningful and democratic manner that the possible appointment of a new Speaker, who did not have the support of both sides of the House, should be delayed until this motion had been debated in the House. I was asking him to intervene because he had informed me that he had written to His Excellency asking that the appointment be made. He wrote back almost immediately, a couple of days later, saying that he regretted that he could not accede to my request, my request being please ask the Governor that notwithstanding the fact that you have asked to make such an appointment that he should delay the appointment until there has been an opportunity to debate my motion in the House. He said, no, I cannot accede to your request, but I suppose I should be grateful for the fact that in practice that is what has happened. The appointment has not been made and in fact we are debating my motion in the House this afternoon prior to such an appointment. I am glad to see that at least that much has indeed been taken account of. Now, Sir, we feel very strongly on this side of the House that the Government should not use their majority to thrust on us a Speaker whom we cannot support. We do not have the right to veto the appointment of a Speaker, that red herring has been thrown up in the public controversy, with seven votes we cannot possibly do that. But seven Opposition Members who are elected by the minority in a democratically conducted election do have certain rights, as Members of the House, and the most fundamental right that they have is to have a person presiding over the proceedings of the House in whom they can have full confidence, whom they can actively approve of and support. If that does not happen, if no consensus candidate is appointed, then the Government is using their majority effectively as a threat to the Governor, that they would veto any appointment that he would make of any other candidate other than the one that they prefer, and I would submit that that was never envisaged by the Constitution. I really urge, Mr Speaker, the Government and the Chief Minister, in particular, to ponder carefully over the views that I am expressing and which are going to be expressed by other Members of the Opposition in the House today. I urge him to vote in favour of my motion and enter into a process of full consultation in order that we should

be able to agree on a consensus candidate. Surely even now it is not too late to agree on such a candidate. I get the impression that the general public do not expect that there should be controversy from the Government and the Opposition over such a matter. On other matters yes, of course, I think the public does expect us to have diametrically opposed views, but not on this fundamental issue which touches so closely and so intimately the sensitivities of Honourable Members on this side. It is not too late to enter into such a process of consultation, Mr Speaker, that would enable a new Speaker to be confirmed, the appointment of a new Speaker to be confirmed, in the House in due course in the same way as you the outgoing Speaker, Sir, have been accepted and have had the support of all Members of this House over the years regardless of their party political loyalties. Mr Speaker I commend the motion to the House.

Mr Speaker proposed the question in the terms of the motion as moved by the Hon A J Canepa.

HON M A FEETHAM:

Mr Speaker, the Government's position will be put by the Honourable Chief Minister.

HON A J CANEPA:

Mr Speaker, is that an indication for the sake of good procedure, of the fact that no Honourable Member of the Government is going to take part in the debate other than the Chief Minister?

HON M A FEETHAM:

That is correct.

HON K B ANTHONY:

Mr Speaker, when this motion was tabled, I had very mixed feelings. On the one hand I was delighted that we on this side of the House, in the Opposition, would have the opportunity to put forward our views, on the other hand, I had a deep feeling of regret that it had been necessary to move this motion. I say that because in my own mind, Mr Speaker, the stand taken by the Honourable Chief Minister has been a demonstration of his determination to get his way in a matter of the next Speaker and the path that he has chosen is to ignore completely the views, the opinions, and any alternative candidates for the appointment of Speaker that might have been put forward by this side of the House. In my view, Mr Speaker, his stand in this matter runs against the true spirit of democracy which this House has always upheld. When Section 26 of the Constitution of Gibraltar was drafted, the Section that deals with the appointment of Speaker, I am certain in my own mind that the person who drafted that Section never envisaged the time when a future Chief Minister of Gibraltar would take the extraordinary step of recommending to His Excellency

the Governor the appointment of a candidate who is unacceptable to the Opposition. Such a thing has never happened in the past, as we all know, and I feel that in a genuine democracy will never even be considered. The extraordinary thing is that his refusal to discuss the issue is absolutely unnecessary. As my colleague, the Leader of the Opposition has said, any motion moved in this House must go the way that the Government want with their numerical voting superiority of eight to seven plus the vote of the two ex-officio Members of the House must go the way they want. The big question that remains in my mind, Mr Speaker, and in the minds of many people is; Why didn't the Chief Minister meet with the Leader of the Opposition as was requested, talk this matter over and then having acted openly in a democratic manner, could have brought his motion to the House knowing fully that it would be passed? He would then have been seen to be acting in a democratic manner. Instead his nominee to be steamrollered into this House with an attitude of disdain for the Opposition's views about the matter. It is a move that demonstrates fully to the people of Gibraltar that as far as the Honourable Chief Minister is concerned, the Opposition and their views are of no concern to him. I fear, Mr Speaker, his is an autocratic rule and like all autocrats any opinion other than his own is unimportant. I say that deliberately, Mr Speaker, because I have seen a change in the thinking of the Honourable Chief Minister during the past year that amazes me. Prior to winning the election in March last year, the Honourable Chief Minister, being the Branch Officer of the TGWU for very many years and at that time, Mr Speaker, as you well know I was not an elected Member of the House, but during those years I was also a Member of the TGWU in a Section that had, as his negotiator, the present Honourable Chief Minister and one of the things that sticks in my mind most was the fact that one of the cornerstones of Mr Bossano's negotiating skills was his belief in negotiation, he advocated negotiation, Mr Speaker, he recommended negotiation and I agree with that policy. To negotiate is to achieve a solution which is satisfactory to both parties in any dispute, and this is a dispute, Mr Speaker. So why was not the Honourable Chief Minister willing to negotiate with my colleague, the Honourable Leader of the Opposition, in this matter the best candidate to the appointment of Speaker of this House. I can only repeat that it must be because there is a deliberate policy within the Chief Minister's political philosophy that for a Socialist Government such as his, an Opposition is an unnecessary adjunct and that if ignored it will dwindle away to being simply seven elected Members on this side of the House whose use and opinions are of no consequence. I hope I am wrong, Mr Speaker, I hope that I have misread the signs that are there, because in this democratically elected House of Assembly, there is a vital role to be played by the Opposition, irrespective of their political beliefs. An Opposition is a necessary watchdog of all Government policies. An Opposition in a democracy is necessary to offer the electorate an alternative Government. Without an active and effective Opposition, the democratic process is at risk and an Opposition must not and never should be ignored in their views because every time that

the views of the Opposition are ignored or refused to be heard, then in my opinion Mr Speaker, the democratic process is weakened just a little bit more. Mr Speaker, the question of why a candidate could be unacceptable to this side of the House must be asked. You have heard from the Honourable Leader of the Opposition in his opening address why he feels that certain safeguards must be taken to ensure that the candidate for your honourable post is acceptable to all Members of the House. First let me analysis why I believe that the Speaker is so important. Recently, I have heard outside this House people asking why is there such a fuss about the Speaker. To people outside this House that may well be fair comment, to many the Speaker is simply someone who sits at the end of this Chamber, speaks occasionally, does not vote, is a symbolic figure and of no major importance. We in this Assembly know only too well that this is not how the role of the Speaker is seen by the elected Members. In the short time that I have been a Member of this Assembly, I have learned that the Honourable Speaker is a man who has the affairs of this House at his fingertips, is aware of all the procedures of the House, whether it is in the passing of the Bills or in the handling of a Motion. He is the man who guides a Member in the wording of a particular Question and who will stop any Member going over the top in his or her phraseology. He is a man who will guide new Members in their first inroads into the parliamentary process and he also advises experienced Members of this House whenever there are points to be clarified. In other words, Mr Speaker, I see your role as that of a trusted friend to all Members of this House, irrespective of which side they sit on. The Speaker is authoritative on all matters of parliamentary procedure, as well as being a guide and mentor to all Members. He is on the bottom line, completely impartial and completely trusted. Impartial and trusted. Mr Speaker one candidate's name has been mentioned as the front runner for the appointment as Speaker and it is of this particular candidate that I now intend to refer. If this person were to be appointed, we on this side of the House would not be prepared to vote in favour of his appointment to the Honourable Chair of this House. During a phase of this particular candidate's active political life, at the end of the 1960s or the beginning of the 1970s he had opposite him.....

MR SPEAKER:

No, I am terribly sorry, we are not going to talk about the qualities of any possible appointee. We are talking about whether there should be consultation and consensus insofar as the procedure for the appointment of a Speaker is concerned and nothing else.

HON K B ANTHONY:

Very well, Mr Speaker, I will not refer to the front runner or any other candidate. I will simply say that it is important that there be full consultation on both sides of this House. I do not see how in a democratic process

this House can work efficiently, how it can work amicably if there are doubts on this side of the House about the Speaker. The Speaker must be a man who both sides can depend upon, can turn to and to look for advice without any fear whatsoever. It is a matter of great concern. It has been mooted in the street, Mr Speaker, that one candidate might be pro GSLP, I do not believe that. I think he may well be fully impartial, but I am not so convinced in my own mind unless I have a say in the matter of the selection of the candidate or as the Leader of the Opposition has said, that the candidate is absolutely independent but certainly not if he is selected purely on the say so of the Government bench. The appointment by His Excellency the Governor must be made on the advice of both sides of the House. If you ignore one side of the House and is only made on the say so of the Government side, how can it be expected that the Opposition accept whatever candidate is nominated with open arms and complete trust and complete belief in his impartiality. That Mr Speaker, is asking too much, far too much of this side of the House. As far as I and my colleagues on this side of the House are concerned we feel that the present situation is totally unacceptable. The House will not be voting unanimously on the nomination of the replacement of the Honourable Speaker until such time as this side of the House has a say in who is selected, as is laid down in Section 26, and then, and only then, are we prepared to look forward to whoever occupies your Honourable Chair Mr Speaker, with the full trust and faith and I would like to think the hand of friendship that has so often been given by you. Only when that happens and the only way that can happen, Mr Speaker, is if the Honourable Chief Minister will reconsider seriously the rather autocratic stand that he has taken in not consulting this side of the House. I feel it is wrong, I feel it is undemocratic and I do not feel it will be good for this House in the future when your successor is in that Chair. Thank you Mr Speaker.

HON G MASCARENHAS:

Mr Speaker, I shall be very brief and I sincerely hope that what I have to say will not fall on deaf ears. I will speak also for the sake of the record, and appeal to Members opposite to find a way to support this motion on such a matter as the appointment of the Speaker which should not be a non controversial subject. We have heard this plea from the Leader of the Opposition and from my colleague Ken Anthony and I sincerely hope with all my heart and in all honesty that they are able to support the motion which has been tabled. Thank you very much.

HON M K FEATHERSTONE:

Mr Speaker, I speak in the role of what in the House of Commons would be called the Father of the House. I am the only Member here who remembers the speakership of your predecessor, Sir William Thompson. I remember when he asked to be able to resign, how it came about that a new

Speaker was appointed. Various names were submitted by the then Government and a particular name was put forward as Speaker to the Opposition. The Opposition did not find favour with this person and suggested another name. The then Government took this on board fully and suggested another name, that of yourself, the then Opposition agreed and you were appointed and confirmed unanimously as Speaker. It is very interesting to read Section 26 of the Constitution because it not only says that the Speaker of the Assembly should be appointed by the Governor after consultation with the Chief Minister and the Leader of the Opposition but it also says how a person should vacate the office of Speaker. If the Governor acting after consultation with the Chief Minister and with the Leader of the Opposition so directs. Again you have a measure of consultation with the Leader of the Opposition and with the Chief Minister. It goes on later on to say that if somebody is to perform the office of Speaker while the Speaker is absent, again it will be as may from time to time be designated in that behalf by the Governor acting after consultation with the Chief Minister and with the Leader of the Opposition. It seems to be well enshrined that there must be consultation between the Leader of the Opposition and the Chief Minister in advising the Governor on who should be the Speaker or whether that Speaker should cease his appointment or whether we should have a temporary Speaker. However it seems that at the moment the Honourable Chief Minister wishes to enjoy the right to hire and fire for himself. This is something which is, in my view, completely unconstitutional and something which I think the Honourable Chief Minister should take on board. We are willing to look at a number of names and we have supplied one or two names to the Governor. I think it is possible that we could agree on a name of some person who is acceptable to the whole House. This is something which is to be highly recommended. I think that to have a Speaker who was not supported fully by the House would be a detriment to the House as such and something to be deprecated. I hope that the Government can support this motion and will think again on the question of enjoying a consensus opinion on the position of Speaker which is somebody which must be of the highest esteem to both sides of the House. Thank you Sir.

HON LT COL E M BRITTO:

Mr Speaker, even in my short time in this House, I realise that it is a sad day for politics in Gibraltar and for this House, in particular, that a motion of this nature should come before this Assembly so shortly before the appointment of a new Speaker. A motion that has had to be brought, in the opinion of the Members on this side of the House for two reasons, one because of the way the Government through the Chief Minister has acted and two because the proper consultation process envisaged in the Constitution has not been carried out. I need hardly point out to you, Mr Speaker, the importance of the office that you hold, the high precedence that it holds in the Table of Precedence in Gibraltar, ranking only behind the

Governor, the Deputy Governor, the Chief Minister and the Chief Justice. Or the personal qualities needed to effectively hold the Chair in which you sit. Impartiality, calmness, patience, objectivity, wisdom, dignity, and I could go on. Of the necessity to be seen to be above the politics of the day or to remind you and the Members of this House, Mr Speaker, that the constitutional process without doubt envisages consultation and by definition agreement, precisely to avoid controversial appointments which can detract from the dignity of your office. The question of a veto has been floated in public prior to this debate, Mr Speaker, and it has been mooted that what we on this side of the House are trying to achieve is effectively a veto on the Government, on the appointment of a Speaker. This Mr Speaker, is as far from the truth as could possibly be the case. What we are trying to achieve, firstly is the proper working of the Constitution and secondly to avoid what appears that could happen, the appointment of a Speaker by dictatorial decree from the Government benches and instead ensure the appointment of a Speaker who has the unanimous support of all Members of this House. Let me deal in particular with the consultation process and to reiterate the fact that this has not been properly carried out. According to my dictionary consultation or to consult means to have deliberations with, to seek information or advice from and to take into consideration feelings, interests, etc, and I put it to you Mr Speaker, that the sequence of events that we have seen since April last year, shows this has not been done. Very briefly, because it has been gone into detail by the Leader of the Opposition, after the election the Chief Minister informed the Governor of the Government's choice of candidate, then last summer either through a leak or whatever in the press, the public was made aware of the person who was the Government's preferred appointment and indeed led to a situation of this person's apparently being congratulated in the street as a future Speaker and was even interviewed on television as such. In the autumn after apparent prodding from the Governor, the Chief Minister wrote to the Leader of the Opposition advising him of the Government's nomination. The Opposition then disagreed and suggested a meeting in order to arrive at an agreement on the Speaker, the Chief Minister or the Government refused and there the matter ends. I put it to you, Mr Speaker, that the process of consultation has not been carried out and secondly the Government's actions since April 1988 has been to act unilaterally. One could try to be kind and excuse the Government of inexperience or ignorance of proper procedures, but that I am afraid will not hold water in a situation where the position is absolutely clear. The Government has refused to discuss or consult and has instead "dictated unilaterally" to the Governor who should be appointed and I say "dictated unilaterally" because the Chief Minister announced at a dinner at the Rock Hotel that the Governor would not go against the Government's nominee because this would provoke a constitutional crisis. By its actions the Government has caused embarrassment to the Leader of the Opposition,

to yourself, Mr Speaker, to the Government's nominee for Speaker and even to the Governor himself. We see what has happened as a misuse of the Government's parliamentary majority to circumvent the Constitution and virtually to dictate to the Governor on something which should be non-controversial and non-political. In conclusion, I would like to reflect on the qualities of a Speaker, that the Members on this side of the House could support, he should not be someone who has been active in local politics relatively recently or a political opponent of one or more of the parties represented in the House or even someone who, as recently as the last election, might have been or would have been prepared to stand as a candidate. We think he should be someone who has the impartiality of a judge, the patience of Job, the wisdom of Solomon and the self control of a buddist monk. On a lighter note to finalise I would submit that despite his title of Mr Speaker, he needs the ability to sit quietly and not to speak most of the time. Thank you Mr Speaker.

HON P C MONTEGRIFFO:

Mr Speaker, the history of the question of the appointment of Speaker has been outlined by the Leader of the Opposition and I do not intend to go over that except to say that at this stage, from the Opposition side, we have perhaps the almost impossible task of trying to persuade Members opposite, at the eleventh hour, to stop and reconsider. Listening to this debate, I am sure, is His Excellency the Governor who I feel does not want to make an appointment, or would prefer to make an appointment that everybody in this House was happy with, and if only out of consideration for his position and for the position of people generally in Gibraltar, we should be able to agree on a person who would simply be an umpire in our deliberations. I will take the approach in my contribution, Sir, of seeking, of urging, the Government, even at this stage to look at the argument that we are putting across in an attempt to get the Government to support this motion and to sit down with us and find a candidate which everybody can accept and which the Governor can then appoint in a totally non-controversial manner. Sir, the logic and the reasonableness of this motion is totally self evident. The motion is in order that the appointment should be with the agreement of all the parties, that there should be consultation and that we should basically avoid controversy and be able to reach agreement on the appointment of a Speaker. Outside the strict constitutional position of how an appointment is made and the Chief Minister may argue in a moment that the strict letter of the Constitution has been adhered to, because there has been some type of consultation and the House of Assembly should now ratify the appointment. The point is that it is politically desirable that the way we conduct politics in Gibraltar, in a small community, with so many external problems that we should unfortunately have this subject divide us when we should be trying honestly and sincerely to do so on a bi-partisan basis. I hear the Minister opposite quering

my sincerity, well I will tell him that I did not stand for election not to be sincere. I have other things in life to do, I am here because I think that I have something to offer to the people but not to create unnecessary controversy and wasting time and taxpayers money. For the good of Gibraltar, as a small community, we should conduct our affairs in a way that is more beneficial to everybody. The Chief Minister is on record on various occasions of saying that he does not believe in a bi-partisan approach to politics and I am not going to argue with that although I have my own views on how legitimate and how desirable to Gibraltar that polarisation of views is, but on something like the Speaker, surely as the Leader of the Opposition has said, it is desirable that we should have a bi-partisan approach. Ultimately, Sir, what we are discussing this afternoon is really a question of the style of Government, that is really what is at stake here, what type of style of Government do we want in Gibraltar. It is not just what type of Government the GSLP have, which ostensibly is an open Government, a Government that will inform the people, a Government that wishes to and I will use the Chief Minister's words "unlock the potential of Gibraltar and to mobilise it, a Government that wishes to push Gibraltar forward into the 20th century, in a big jolt into the 21st century". What style of Government do we want and I think the style of Government that we want is a Government that has a political system where we can concentrate our disagreements on things that are fundamental because that is healthy, if we have different views in fundamental matters ultimately people will decide what is their best view and at least there is debate. However on something, which although fundamental, should be non-controversial because it is not an external threat we have a duty to try and come to terms, a duty to try and agree to solutions which are to people's best interests. It is regrettable for example, Sir, that the Chief Minister in reply to a challenge from the Leader of the opposition to debate the matter publicly on television, should reply that he did not have to take that challenge up because there would be a debate in the House. Of course, but without reminding people that a few days before he had refused to ask the Governor to stop the appointment of the Speaker, prior to the debate taking place. That, Sir would have made a mockery of this debate and we are glad at least that despite the Chief Minister's failure to ask the Governor to stop the appointment, we are debating the matter and we therefore really do have an opportunity of asking the Government to please reconsider and please let us try and see whether we can put this right. Mr Speaker, if my contribution is a little of a plea I am afraid that I am not getting anywhere with the Members opposite since all that I get from them is either laughs, or I am subjected to insults that I was in primary school not so long ago or, on television, that I was recently in nappies. I do not know about the Honourable Mr Moss who is a Minister in which the Government no doubt have confidence, has he also been recently at primary school, he is even younger than I am. I do not know whether on this matter we can actually have some serious consideration from the Government, but Mr Bossano has been quoted as saying something with which I sympathise and that is "that he was fed up of talking in this House, because he could talk

till he was blue in the face and yet it made no difference because basically whatever he said in this House would be run roughshod by the other side. Mr Speaker, let us try and see whether that sentiment, whether that complaint which Mr Bossano thought so legitimate at the time, can be put right by him now that he is Chief Minister. This will not be a victory for the Opposition or indeed for the Government. We are not talking about victory here. All we are saying is, this is a very sensible and logical motion which everybody should support. Let the Government say yes to it, let the people of Gibraltar say, not that it has been a victory for the Opposition or otherwise, but let them see us, as Gibraltarians, all trying to do the sensible thing by talking about the appointment of the Speaker and coming to a consensus. Thank you Sir.

HON CHIEF MINISTER:

Mr Speaker, I will not go into the qualities that we were looking for in giving our advice to His Excellency. I do not think it would be right, although in general terms some of the Members opposite have mentioned the range of hypothetical qualities, but I will not be able to do that without talking about the candidate which we have put forward and which we have considered to be the right man for the job. Obviously as you called to order the Honourable Member opposite, Mr Anthony, about going into the defects of the candidate, it would not be right for me to go into the merits of that candidate. Therefore I think I will just deal with what appeared to be the latest public statement by the Leader of the Opposition in an interview in Panorama, which is that it was not so much the person selected, who might well turn out to be an excellent Speaker, we will have to wait and see, but the way the selection had been carried out that he was opposed to. This motion is not about who the Speaker should be, but how the Speaker should be selected. I do not think how the Speaker should be selected is a matter for a motion in the House. How the Speaker should be selected is already laid down in the Constitution, so it is not what this House considers should or should not be done that has to be done, it is what the Constitution says has to be done. Whether the House considers that the Speaker has to have the support of all the political forces of the House and whether the House considers that it is essential that no appointment should be made until a candidate acceptable to all such political forces is agreed upon is irrelevant and possibly unconstitutional. Because in fact, Mr Speaker, if you said as you are perfectly entitled to do, that you felt that you have already done a fair stint in the Chair and you wanted to have a bit of peace and quiet instead of having to listen to all of us talking here, then if there was not consensus and if it was not possible to have a candidate acceptable to everybody, the Governor would still have to appoint a Speaker and we would have passed a motion in the House saying that he should not do it. But the Constitution says he has to do it, so in fact what the House is being asked to do, by the Opposition, is to make

it a condition on the exercise of his constitutional power by His Excellency that he should not be able to proceed with the appointment of the Speaker until there is unanimity in the House. This is why we have said that in fact the motion is suggesting that the Opposition should have the right to veto, obviously as the position now stands they do not have the right to veto because when we have had a situation where a Speaker is appointed, who has the support of the governing party, the Governor knows that when the motion comes to the House there will be a majority in the House sufficient to guarantee that it will be passed like so many other things that have been passed before in this House by Government majority. Even though the governing party had less of 50% of the vote, as has been the case since 1972, when there was a marginal victory by the party in power and then for every election after 1976, they had less than 50% of the vote and yet things were carried by Government majority and once they are carried, as in all democracies, the governing majority counts and even if we have a situation as we had in 1984, where the party in Government had 43% of the votes and the party that was elected into the Opposition and the party that did not get any seats, both publicly argued that the Government did not have a majority of popular support to endorse the Brussels Agreement, it was still done and we have to accept that because democracies work like that. If we had a normal parliamentary system as is the case in most Commonwealth and European countries there would not be six or seven Members on the other side. They would be lucky to have one with the percentage of the votes that they got. So that is how democracies work everywhere. The motion says that the House should be without a Speaker, given your decision to retire Mr Speaker, until we can agree here on who should take your place which means that effectively the Opposition would be able to block that situation ad infinitum by not agreeing to anybody that the Government put up and eventually the Government presumably would have to accept what the Opposition put up in order to get a Speaker. The Government cannot work without meetings of the House, because if there are no meetings of the House it cannot implement the programme on which it has been elected which require the enactment of legislation. The Opposition frankly come to the House to make the point that they would do a better job in Government but if the House does not meet they do not have a pressing need to carry out certain things that require legislative approval, nor do they have a situation where they have a financial year where the House has to approve the Budget in order to carry on the functions of Government, but the Government cannot govern without Parliament. It is that logical analysis which led me to remark that the logical implications of the motion would have been to be saying that it would be the Opposition who would be deciding who the Speaker was and not the other way round. The Government is going to vote against the motion and defeat it. It is going to defeat it because in fact it does not accept that there has to be full consultation between the Government and the Opposition and that that is what the Constitution says. The Constitution is very clear, it says the Speaker of the Assembly shall be appointed by

the Governor acting after consultation with the Chief Minister and with the Leader of the Opposition, if any, because it assumes that it is conceivable that there could not be a Leader of the Opposition, but that there cannot be a situation where there is no Chief Minister. We have had situations where there have not been Leaders of the Opposition because there has been a coalition Government with everybody technically in the Government in one shape or another or we could have a situation where there is a divided Opposition and nobody is elected as Leader and therefore then in that situation although the Speaker of the House is still the Speaker of the House including all the Members of the Opposition, only the Chief Minister is consulted. That is what the Constitution says. The Governor consulted me after the election, he reminded me, Mr Speaker, that you had made clear that you would continue for a while after the election although you had made it clear that you had decided to retire before the election, Mr Speaker, and you reminded me shortly after the election when we came in on the 25 March. The first situation we had was the immediate problem of the end of the Financial Year and of producing a Budget and the Governor said that as soon as I had got over the Budget that he would like to have my views on who I thought was the best person for the job. We thought to ourselves who is the best person for the job, not who is the person that the Opposition are most likely to want and who is the person that the Opposition are least likely to want. We did not look at that aspect, so we did not think that the essential characteristic was acceptability to the Opposition and we suggested the name that we thought was appropriate for reasons that I will not go into because we are not talking about the individual but which I am quite happy on another occasion to specify how well qualified we think that the person we have put up is for the job and we are confident that he will prove it. The Governor then had the function as far as I could tell from the Constitution of finding out who the Leader of the Opposition wanted or whether the Leader of the Opposition was happy with the name we had suggested and eventually he came back to me and he said that the feedback of the Opposition was that they did not like the name that I had put up and therefore would I have a go at trying to persuade the Leader of the Opposition. So I wrote to the Leader of the Opposition, not because I thought it was my job, but because I do not mind going along with suggestions that people put to me and if His Excellency said to me that he thought, since it was really, although the Constitution says his job, really we have gone a long way since 1969, it was really a local political issue, that is to say London does not really mind who we have as Speaker, with certain limitations obviously, and that primarily it is the local opinion that matters. I therefore wrote to the Honourable Member opposite as he says in October, saying would he support the candidate that we have put forward. He wrote back in November saying no, he did not say no because of x, y and z, and he did not say no we want somebody else and the people we think are acceptable are so and so. What he said was that after having consulted his colleagues and the Party, the Opposition did not support the name

that I had put forward and would we meet to look for a consensus candidate. Now as far as I am concerned the Constitution does not say that we have to meet and look for a consensus candidate, the Constitution says that the Governor seeks my views and the Governor seeks the Leader of the Opposition's views. The only reason that I approached him was because the Governor thought I might be able to persuade him to support the candidate we wanted. It was obvious from the reply that I was not going to be able to persuade him and therefore we went back to the Governor and said "Your Excellency this is your constitutional responsibility, it is up to you to proceed". The Honourable Member then deduced from that, in December, that that meant that the appointment would happen before the motion was heard. I did not say that that was going to happen and therefore felt no need to tell the Governor to stop something which I had not told him to start. So I told him that I was not going to write to the Governor to tell him to stop, I did not tell him why I was not going to do so although the reason was of course that there was no need to do it. Let me say that the arguments that we have heard in this House are arguments from Members who have been outside the House of Assembly for most of their lives and have only joined it on this occasion. And as the Honourable Mr Montegriffo says, I have often remarked about how many arguments I had used in the sixteen years that I spent in Opposition in this House, when it appeared that I was making some kind of impact in persuading Members of the Government but at the end of the day when the voting was taken the result was zero. It had made no impact at all. Let me say that this is not the case now, the arguments that they have used do not convince us, it is not a question that we have made up our minds and we are not going to change our minds because having made it up and that it is irreversable, it is that the arguments that they have put are arguments that we do not accept. Fundamentally as far as we are concerned what Parliamentary systems do here, and everywhere where there are Parliaments, is they allow people to chose a programme and then those that have been elected on that programme have got that responsibility for implementing that programme and if there are going to be questioned about the validity of the programme throughout their term of office, then they will never be able to prove whether the programme will work or will not work and it is a nonsense for the Honourable Member opposite to say that the things that we disagree with are fundamental things and that we must concentrate our disagreements on fundamental things. Mr Speaker, we have had a whole lot of questions where we have disagreed on how many times Main Street gets hosed, whether we are keeping debris or rubbish in Eastern Beach, whether we should be keeping the rubbish in the Mancomunidad.....

HON P C MONTEGRIFFO:

I think the Chief Minister well knows the point I am making which is simply that if we have to disagree on things that are fundamental and which pose a big threat to Gibraltar, we owe it to people to try and agree on things that, although they are fundamental in another sense like the

Speaker, we should be able to come to a consensus and that we should limit, as a small community, as much as possible the areas of conflict, that is the point that I am making and which I think is reasonable.

HON CHIEF MINISTER:

It is not the point that he makes Mr Speaker. I took copious notes of what he said and he said, we should concentrate our disagreements on things that are fundamental and on things that are not fundamental we should have broad agreement. I in any case disagree with that. I think that we should concentrate our agreements on things that are fundamental and if we disagree on things that are less important, well it does not really matter and we do not put Gibraltar in any danger. I think we should be in complete agreement that sovereignty is not negotiable, but it does not really matter whether we disagree about how many times we hose down Main Street, because at the end of the day we are not putting Gibraltar at risk, so the disagreements should not be on things that are fundamental, the disagreements, if we have to have them, should be on things where at the end of the day, if the Opposition disagree with us and we are making a mistake and we get it wrong, well we got it wrong and we will get punished for it when we go to an election, because people punish politicians for the mistakes that they make, but we will not have done irreparable damage to Gibraltar. On fundamentals we ought to try and agree and it has always been the spirit of this House, independent of who has been in Government, that when Gibraltar is under attack it closes ranks and all communities, all small communities tend to do that, when we are under attack by outsiders we close ranks. This is not something that is going to put Parliamentary democracy at risk. This is something on which we have clearly a different approach on what is the right way to proceed although how real our differences are is hypothetical because as the Honourable Member opposite has mentioned it has never happened, that is to say, the situation when the Speaker was selected in 1969, was in fact when Major Peliza was in Government and I was not in the House then and I do not know whether it was the Governor that spoke to the then Leader of the Opposition of whether it was the Chief Minister who spoke to the then Leader of the Opposition. It may well be that Major Peliza did things in 1969, in a way in which the Opposition approved, it may well be that they approve more of his style than they do of mine, but I am not standing for Speaker, Mr Speaker, and therefore we could not help laughing at the Honourable Mr Montegriffo because he in fact addressed you as Mr Bossano, and it seems to us that he has got himself so confused about who the next Speaker is going to be that maybe he thinks I am bidding for that job as well. The situation is that we defend the way that we have done things because as far as we are concerned what we have done is totally in keeping with the spirit and the letter of the Constitution and we are opposing the motion that the Opposition is bringing because as far as we are concerned it seems to us that whether they

intended it or not, if the House will pass this motion, the House would actually be putting a constraint on the constitutional powers of His Excellency the Governor. I question whether in fact the motion is capable of being given effect since it says that no Speaker can be appointed until there is unanimity in the House, which means that if there was no unanimity, no Speaker would be appointed and if no Speaker were appointed the House would not be able to continue and we would then have to have a General Election presumably, because we were unable to reach agreement over who the Speaker should be. That would be the natural constitutional consequences of accepting the motion. I am sure they did not intend it to be that, but that is what is written down. We certainly do not accept that that is what they intended to do, that there should not be the possibility of appointing a Speaker, and in their contributions they said certain things, some of the Members opposite said certain things which run contrary to what the motion says. One or two of the Members said that at the end of the day if I had agreed to meet with the Leader of the Opposition to try and find a consensus and the consensus had failed, we would still have been able to proceed by majority. That is not what the motion seeks, the motion seeks that we should not be able to proceed with a majority, it says, it is essential that no appointment should be made until a candidate acceptable to all political forces is agreed upon. All political forces represented in the House Mr Speaker, if this policy had been adopted before, which I question the constitutionality of it anyway, all I have to do is to take Members back to the situation of the House of Assembly in 1976 and in 1980, where we had a situation where there were two parties and I was the only candidate of the GSLP and according to the proposals of the Opposition if a situation like this had arisen I would have been able, on my own, to block the appointment of a Speaker, because I would have been one of the political forces represented in the House and would have had to have been with the agreement of all the political forces. That is a nonsense because it would then have given one Member, of one party, as a sole representative of that party, the right to veto what the other fourteen Members of the House were agreed upon. I do not believe they thought very carefully of what it is that they are asking for because I am sure that is not the intention either. I think they have to accept that we are acting in the way that we think is correct and we are going to be tested ultimately by the results we produce with our approach, Mr Speaker. We will listen to what they have to say on the subject, they are entitled to have a say, but at the end of the day the way Parliamentary democracy is worked here, and everywhere else, is by majority rule and I think that part of the problem that the AACR in Opposition has is that it has to learn that because it is a very long time since they were on that side.

MR SPEAKER:

Any other contributors to the motion? Does the Hon Mover wish to reply?

HON A J CANEPA:

It seems, Mr Speaker, that either the Government is on the defensive to such an extent that only the Chief Minister takes part in this debate or else that he dominates his Ministers to such an extent that they have nothing to say other than the Honourable Mr Michael Feetham standing up and formally telling us with his master's voice that the Chief Minister would reply on behalf of the Government. How the Speaker is selected is not a matter for the House says the Chief Minister, of course it is not, other than the House confirms the appointment, and certainly to discuss it here before how we go about selecting a Speaker would not be necessary were it not that the Government is departing, if not from the strict letter of the Constitution, certainly from the spirit of the relevant section of the Constitution and the manner in which Speakers are generally selected in Parliamentary democracies which are modelled on that of the United Kingdom. The motion would not be necessary other than we feel that it is necessary to go through the exercise of putting a point of view across because the proper procedures which were carried out in this House before the Chief Minister became a Member in 1972 had not been carried out. To talk about the number of seats that a party gets at an election based as a result of whatever percentage support they get is a pure red herring. The Chief Minister very often does that, he comes across with an argument on something else that appears to be logical from his point of view to impress his band of supporters but it does not bear analysis to talk about the number of seats and that if you get 30% you have one seat or two, that is utter nonsense because the system of voting, the methods of electing Governments in many legislatures in many parts of the world is such that it does not reflect the full percentage support that they are getting because the objective could well be to ensure stable Government. Take the United Kingdom for instance, you have the Conservatives with the majority of over 100 seats with 43% of the vote and in the recent election the Liberals and the Social Democrats polled almost as many votes as the Labour Party, which got 29%, and they got 27% and the Labour Party finished up with over 200 seats and the Liberals and the Social Democrats finished up with 20 seats. That argument is a pure red herring and he knows that it is so. He is intelligent enough to know but he also knows that that sort of argument, that sort of red herring, impresses his supporters, just like the red herring that he brought up as to why he would not debate the matter with me on television. That was also a red herring to talk about pensions when pensions are still a matter of passionate interest in Gibraltar, but the question of the Speaker, after it is over and done with will no longer be of interest until another Speaker has to be appointed. If the motion really infringes the Constitution, then all that is required is an amendment and the Chief Minister himself could have moved a simple amendment saying that without prejudice to the powers vested by the Constitution to the Governor, it is desirable that one, two and three things be done, that is all that is required, because all that we are seeking here in the House

is not to circumvent or infringe the Constitution but to ensure that a spirit of full consultation and proper parliamentary procedure as between Government and Opposition on a matter that ought to be above party politics is followed. Another red herring on the part of the Chief Minister. Such a simple amendment and he is so good that I am sure that he must have found it difficult to resist amending a motion when his motions in the past used to be subjected to wholesale amendments. All that was required was a very simple amendment as I have indicated and that would have corrected the infringement that we had made.

MR SPEAKER:

No, with respect, the advice on this particular issue would have been that of the Speaker, and I would not have allowed a motion which was unconstitutional. The word 'essential' does not mean 'required' and if the word in the motion had read 'required' then perhaps I would have given it some thought. The motion however says 'essential'.

HON A J CANEPA:

What I meant by essential was not that it was an absolute requirement, essential really means desirable, vitally important that this should happen. Not that it is a constitutional requirement. Thank you, Mr Speaker. Of course it is a nonsense for the Chief Minister to say that he did not ask the Governor to start formally the process of appointing a new Speaker, he did that in November when he said that 'whilst not disputing that there may be other suitable persons, he was writing to His Excellency requesting that so and so be appointed as Speaker on the 9 November', and as I knew Sir that you desired to step down at the end of the year or shortly after, The conclusions that I reached when I received that letter was that the Governor would be making the appointment close to the end of the year, so that at the first meeting of this House in the new year the Chief Minister would bring the motion confirming the appointment of that person, as Speaker of the House. That is why I had to request that the matter be delayed. Again by the specious argument which the Chief Minister has used today he is showing the lack of regard that he has for the views of the Opposition. It is an unpleasant exercise that he has had to go through or a pleasant one as the case may be. Let us get it over and out of the way, let us go through the charade of a debate in the House. The Governor is either listening to the debate or will get a copy of the Hansard and consider the views of the Opposition carefully and then next week the Government's candidate will be formally appointed as Speaker. What a farse, Mr Speaker, of Parliamentary democracy. But I will say one thing that when we are back in Government we will not proceed as the Government is doing and as the Chief Minister has done, we will have full consultation as we understand it with whomsoever is in Opposition.

On a division being taken the following Hon Members voted in favour:

The Hon K B Anthony
The Hon Lt-Col E M Britto
The Hon A J Canepa
The Hon M K Featherstone
The Hon G Mascarenhas
The Hon P C Montegriffo
The Hon Dr R G Valarino

The following Hon Members voted against:

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

The following Hon Members abstained:

The Hon E Thistlethwaite
The Hon B Traynor

The Motion was accordingly defeated.

BILLS

THE DEVELOPMENT AID (AMENDMENT) ORDINANCE, 1988

HON M A FEETHAM:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Development Aid Ordinance be read a first time.

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

SECOND READING

HON M A FEETHAM:

Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, during last year's Finance Bill, the previous administration amended the Development Aid Ordinance so that it would only apply to housing projects. We considered at the time, from the Opposition benches, that the arguments made had some merit. We did however feel that we could not make a considered judgement without having all the facts before us. You will recall, Mr Speaker, that we therefore abstained because we were not completely convinced. On having taken up office, we have had a little time to give the matter further thought and Government has concluded that it should not be tied down on the incentives it is capable of incorporating in negotiations with prospective developers should this be in the public interest. We have therefore decided to widen the existing scope of Development Aid by re-introducing the previous criteria laid down in the Ordinance. The proposed amendment in this Bill produces the desired effect. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P C MONTEGRIFFO:

Mr Speaker, I understand the explanation the Honourable Minister has given and I understand what the Bill seeks to do, which is to reverse the position. From our part, the arguments that led the previous administration to repeal the Ordinance, except for the limited area in which they apply, are well known to the Opposition and will not repeat them. Suffice it to say that the concern was, the fact that Gibraltar provided an investment opportunity which was sufficiently attractive to bring in people without the need for enhanced privileges or enhanced tax benefits which would also be to the detriment of the public finances. We do not object to the re-introduction of such advantages if the Government, in its view, feels that it is necessary

to further enhance Gibraltar's position. However having said as much, Sir, rather than simply say yes to the Bill, I should be grateful if the Minister could indicate what type of areas, in broad lines, the Government would consider giving development aid for, rather than asking the House and the Opposition for a blank cheque. In other words could the Government say "what we would really like to extend development aid for would be for tourism projects, for projects relating to this thing or other". That would give us the opportunity of being able to assess better whether the special privileges which the Development Aid Ordinance would provide would be justified in the circumstances. We are always prepared to enhance Gibraltar's attractiveness and if the Minister can give us some broad indication of the type of areas the Government has in mind and which have induced the Government to believe that it is necessary to re-introduce, to the full extent, the provisions of the Ordinance. We would then be prepared to support it fully, otherwise we will abstain and then see how the Ordinance works in practice.

MR SPEAKER:

As there are no other contributors, I will call on the mover to reply.

HON M A FEETHAM:

First of all, Mr Speaker, that in approaching Gibraltar's economic development, the Government is obviously looking for economic growth in certain areas and which are quite well known to the Honourable Members opposite. The effect of what we are trying to do is just primarily to bring the criteria that was there before, but it does not necessarily follow that we will in fact be granting development aid to everyone. What we will be doing is looking at applications and take decisions based in their merits. There are times when it is in the public interest, in considering a particular development, to consider this type of incentive, because if you look at the overall package of the deal that may be produced, as indeed we are at the moment considering, the overall effect of that incentive, in the light of the package, will be a plus to Gibraltar and not a loss to the public. That in general terms is the broad approach that we are pursuing. The other thing, and this perhaps is what the previous administration failed to give enough importance to, is that in doing away completely with Development Aid certain areas which are attracting a certain amount of enquiries, such as light industries, and by not having this legislation the Government does not have the necessary flexibility in arriving at an acceptable arrangement in the setting up of these light industries.

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

The Hon J L Baldachino
The Hon J Bossano
The Hon M A Feetham
The Hon R Mor
The Hon J L Moss
The Hon Miss M I Montegriffo
The Hon J C Perez
The Hon J E Pilcher
The Hon E Thistlethwaite
The Hon B Traynor

The following Hon Members abstained:

The Hon K B Anthony
The Hon Lt Col E M Britto
The Hon A J Canepa
The Hon M K Featherstone
The Hon G Mascarenhas
The Hon P C Montegriffo
The Hon Dr R G Valarino

The Bill was read a second time.

HON M A FEETHAM:

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

This was agreed to.

THE BUSINESSES, TRADES AND PROFESSIONS (REGISTRATION) ORDINANCE, 1989

HON M A FEETHAM:

Sir, I have the honour to move that a Bill for an Ordinance to provide for the registration of businesses, trades, and professions be read a first time.

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

SECOND READING

HON M A FEETHAM:

Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, the Bill seeks to require all businesses which for the purpose of the Bill includes Trades, Professions and other gainful activities but excludes persons employed under a contract of service to be entered in the Register to be kept by the Director of Trade and Consumer Affairs. The proposed legislation arises out of a number of reasons Mr Speaker. It has been represented to the Government, by small traders and

businesses, that they are faced with unfair competition from persons who carry on business in Gibraltar without meeting their obligations. Members opposite are aware that there already exists the Business Names Registration Ordinance but the provisions of this Ordinance are inadequate for the purpose of having a complete Registry of Businesses, as registration is only required if the business is carried on using a Business Name. Under the existing Ordinance it is not compulsory for a Business Name to be given to any business concern. Furthermore under the Trade Licensing Ordinance, it is not possible to widen its restrictive scope beyond the specified businesses listed in Schedule 2. A clear example was that the House had to remove the Road Transport Contractors from the Schedule in accordance with the EEC requirement. It follows therefore, whilst there already exist records of all trade activities, insofar as businesses are concerned, the records available are only in respect of businesses specified in the Schedule. The proposed legislation, Mr Speaker, is not restrictive in the sense that it seeks to restrict or control any business activity, it is, Mr Speaker, also designed to make readily available to the Government information which will give it an overall picture of trends and developments in the various fields covered by the Bill and hence assisting it in monitoring its economic policy. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P C MONTEGRIFFO:

Mr Speaker, we on this side of the House have what could be described as mixed feelings with regard to this Bill. Our basic position is that anything that can be done to curtail the black economy elements in Gibraltar, the unregulated business element of Gibraltar, which is a source of loss of revenue to the Government and to the people of Gibraltar should be stopped and therefore we would welcome therefore, in spirit, the main intention of the Bill if that is what the Government is seeking to do. What we are concerned about is the difficulty of implementing these provisions, because unless a very full public campaign is carried out in English, Spanish and Arabic, informing people of their need to register, half of Gibraltar could be technically committing a criminal offence because the definition of business is quite wide. An obvious example is a school teacher giving private lessons would, I think, have to register definitely, but he would be an informed professional. However just imagine any tradesman who undertakes part-time skilled work, plumbers, electricians etc.....

HON J L BALDACHINO:

They would be self employed.

HON P C MONTEGRIFFO:

Not only self employed. If I am employed with the Public Works Department and then I do jobs in the private sector, something which is common in Gibraltar, that really would be a trade or any gainful activity. Whereas we do not object to Registration, on the contrary, as far as I am concerned persons performing such jobs should declare them and be taxed. What we are in the Opposition are concerned about is the practicality of enforcing these provisions, not just enforcing but also getting the message across to people. Unless this is done what is going to happen with Moroccans, Portuguese and with Spaniards in Gibraltar is that they are not going to comply and the penalty for not complying is, of course, a criminal offence, it is a summary conviction in which there is a fine of £200. Another matter that I would like to bring up is the question of whether there has been formal consultation with the Trade Unions and if not, whether such a process of formal consultation would not be helpful not only in getting their consent to the Bill, which would be useful, but also in the effort to make sure that the message gets across and that people understand the nature of the requirements and that they have to register within three months of the law taking effect. That they would technically be committing a criminal offence if they did not register. We would like to see formal consultations taking place and a public information campaign on this Bill to ensure that people understand what the requirements are. We are making our own enquiries, Sir, as to the way various associations, etc feel about this matter and at this stage our intention is to abstain. At Committee Stage we will indicate more precisely what our position is going to be. That is all we have to say at this stage, Sir.

HON A J CANEPA:

I just have one specific point that I want to raise, Mr Speaker, because my Honourable colleague has dealt with the Bill in general terms. Whether the Attorney General could give some guidance to the House as to whether the definition of Businesses, including Trades, Professions, any gainful activity, does that cover the activity of Honourable Members of this House? Are we performing a gainful activity? I have this in mind because there may be two or three members of the House who have this as their sole means of income. In fact probably all the Members opposite and I think on this side of the House there are perhaps two or three of us who do not have any other business, who are not exercising any other profession but that of a Member of this House. It is a gainful activity. We get paid for it, it is reasonably active, sometimes more than others and perhaps we could have some guidance, otherwise we might become liable, legally for a fine of up to £200 which will make inroads into our remuneration.

MR SPEAKER:

And perhaps disqualify you as a Member of this House.

HON ATTORNEY-GENERAL:

To be on the safe side, I think Honourable Members ought to register.

HON P C MONTEGRIFFO:

Mr Speaker, if I could interrupt. There is provision in the Bill, of course, for certain classes of businesses to be exempted and I am not sure whether the Government has given some thought to that. There is a genuine concern which the Leader of the Opposition has expressed in a light-hearted fashion. Many people have serious doubts as to whether they should register or not.

HON CHIEF MINISTER:

Mr Speaker, we had not really thought that we would need to register Members of the Opposition on the basis that they were gainfully employed, but in the light of what has been said we might want to make an amendment to the Section dealing with offences, so that in certain situations instead of fining them, we can actually lock them up!

MR SPEAKER:

Any other contributors? I will then call on the mover to reply.

HON M A FEETHAM:

Mr Speaker, the Bill primarily, as I have already explained, aims at meeting representations which have been made to us by small businessmen and traders. That is really the thrust behind the Bill apart from the fact that it will also provide useful information to the Government and the Opposition. What we cannot do is to not proceed with the Bill because it may not be possible to ensure a 100% compliance with it. We will have to see what the results are.....

HON P C MONTEGRIFFO:

Will the Honourable Member give way. The point that I am trying to make is simply that by consulting formally with the Trade Unions and the Chamber of Commerce, perhaps more with the Trade Unions, because some of the people who may be technically within these provisions are the people who would be doing private jobs something very common in Gibraltar and these persons would be Trade Union members. The Unions could help, in perhaps organising registration on their behalf. I would not like to see, quite frankly, people committing a criminal offence. For example a member of the Public Works Department comes to my home after hours, to do an electrical job. Is he Registered? Am I in a sense committing a conspiracy to.....

MR SPEAKER:

No, no, you are speaking on the general principles.

HON P C MONTEGRIFFO:

I am making the point only that I think the Unions could be involved in that information programme, Sir.

HON M A FEETHAM:

Mr Speaker, all I can say to that is that we do not foresee a major problem in that area and if it does happen we will look at it. There is plenty of scope under the Regulations to deal with anything.

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

The Hon J L Baldachino
The Hon J Bossano
The Hon M A Feetham
The Hon R Mor
The Hon J L Moss
The Hon Miss M I Montegriffo
The Hon J C Perez
The Hon J E Pilcher
The Hon E Thistlethwaite
The Hon B Traynor

The following Hon Members abstained:

The Hon K B Anthony
The Hon Lt Col E M Britto
The Hon A J Canepa
The Hon M K Featherstone
The Hon G Mascarenhas
The Hon P C Montegriffo
The Hon Dr R G Valarino

The Bill was read a second time.

HON M A FEETHAM:

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

This was agreed to.

THE MEDICAL (GIBRALTAR HEALTH AUTHORITY)(AMENDMENT)
ORDINANCE, 1989

HON MISS M I MONTEGRIFFO:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Medical (Gibraltar Health Authority) Ordinance be read a first time.

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

SECOND READING

HON MISS M I MONTEGRIFFO:

Sir, I have the honour to move that the Bill be now read a second time. Sir, this is in keeping with the spirit of the original Ordinance which gives the Authority the power to obtain overdraft facilities from a bank. We are only widening our option in case we would want to borrow money in order to plan long term expenditure, which we believe would be more effective and I am, Sir, therefore commending this Bill to the House.

MR SPEAKER:

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

HON M K FEATHERSTONE:

Sir we have one or two queries on this Bill. I will not say they are misgivings but we wonder whether this is the situation with United Kingdom Health Authorities. Can they issue bonds or debentures? We wonder if such bonds or debentures are issued, what would be the collateral? Will it be the Consolidated Fund? We also wonder whether it might not be a good requirement, to make the issue of such bonds or debentures legal, that they should be by resolution of the House.

HON A J CANEPA:

In addition to the points that my Honourable colleague has made, perhaps we could have some indication of who will be the person responsible for deciding such matters. My Hon Colleague, I think, has made the point about collateral. What about the question of the security for investors? In the case of Gibraltar Government debentures that is quite clearcut. What will be supporting the debentures issued by the Health Authority? If we could have an indication, some answers to those points we might not have any difficulty in actually supporting the Bill.

HON CHIEF MINISTER:

Mr Speaker, the power to enable the Health Authority to borrow does not create any liability for the Government beyond what is already in existence. That is to say that under the existing Ordinance, the Health Authority, as my colleague has said, has the right to obtain overdrafts from banks. We do not know whether Health Authorities in England can obtain overdrafts from banks. Whether they can or they cannot is irrelevant. As far as we are concerned we can see the logic of the Health Authority doing it.

HON A J CANEPA:

If the Honourable Member will give way, they have got power but to borrow temporarily.

HON CHIEF MINISTER:

Yes, that is what I am saying. The situation at the moment is that the Health Authority can go to a bank and obtain an overdraft but is not able to borrow, for example, money on a five year loan. We think that being able to borrow short and not being able to borrow medium term puts a constraint on the Health Authority because it clearly enables the Health Authority to borrow for recurrent spending but it does not enable the Health Authority to borrow for capital spending and this is contrary to the way we think that borrowing should be used. We believe that borrowing should be used for capital spending and not for recurrent expenditure. We therefore consider that it is in the interest of the Health Authority, if it is going to have a capital programme, as we are going to require it to have, and it produces the Estimates this year on what it proposes to spend, since we are looking to it maintaining its financial independence from the Government, notwithstanding the fact that we have had to bring the workforce back into the Government to protect their pensionability, the Health Authority is still responsible for managing its own resources and therefore it will have a programme which will involve the annual recurrent cost and the capital spending. We think it is a good idea that they should have the power to borrow to maintain that capital spending instead of coming to the Government for a subsidy for capital spending. Therefore the capital spending could be amortised over the life of the equipment or whatever that it is buying. This gives the power to the Authority to do that without creating any new liabilities for the Government. In fact this would not be backed by the Consolidated Fund, it would not be part of the Public Debt anymore than any overdrafts they may now have. The procedure would be that it is a question for the Minister, as Chairman of the Health Authority, to come to the rest of the Government and say "look this is what I want to do" and the requirements would be discussed with the rest of the Government. It is not a question of the Health Authority having a free hand because at the end of the day we are talking about money which is going to be, if anything, backed by the assets of the Health Authority. I imagine that when the Health Authority goes to the bank, whether for an overdraft or a five year loan, it will be on the basis that it would be acting as an independent institution which owns assets and which has the capacity to borrow and we believe that this would increase their own financial management. They would be able to plan their expenditure, raising their money and amortising it over its life, but it will not be part of the National Debt. It will not be guaranteed by the Government and this will be known when the money is raised and also to the investors who will lend to the Health Authority, they will know that they are lending to the Health Authority and not to the Government of Gibraltar.

HON A J CANEPA:

If the Honourable Member will give way. The other point that perhaps the Government ought to consider is whether authority to borrow should not be given by resolution of the House. If the Government, as part of its own development programme, wants to borrow let us say £50m over the next five years, it comes to the House for a resolution. Obviously the Health Authority is not going to be able to borrow, let us say, £10m to build a new hospital and offer Debentures in order to raise that money without the approval of the House, without the approval of the Government, but £10m is also a very considerable sum of money and I think some consideration should be given by the Government as to whether a resolution of the House is not warranted having regard to the size, the potential size of such borrowing. We are a little bit concerned, Mr Speaker, having regard to the last thing that the Chief Minister has said about how attractive it is going to be, on the contrary I do not think it is going to be very attractive for people to invest, to buy debentures, if there is not the kind of security that the Government is able to give on its debentures.

HON CHIEF MINISTER:

Fine, Mr Speaker, if they are not able to borrow, they are not able to borrow. What we are doing here is deciding to give the Authority the power to do it. There is a contradiction between saying, we ought to have a resolution of the House and at the same time saying, but the Authority is not in fact providing Government debentures. Precisely because the Authority is not providing Government debentures, we do not need a resolution of the House. Because it is not part of the National Debt and it is not part of the Consolidated Fund and it is not a charge on the Consolidated Fund, that is why we do not need it. If we then find that the Authority is not able to raise the money either from a bank or from bonds or whatever, then it will not be able to do it. What we are doing is giving them the opportunity to do it and then the market will decide whether they are interested in lending to the Health Authority or not. After all, banks lent £100m last year to people in Gibraltar other than the Government.

HON M K FEATHERSTONE:

If the Honourable Member will give way. That is still tantamount to saying that if the Health Authority borrows, without Government security, as collateral, they will, if they fall into difficulties, eventually come back to Government for a bigger subvention to pay off their overdraft or what have you.

HON CHIEF MINISTER:

That may well be the case and if that happened the political responsibility will be carried by the Government of the day, Mr Speaker, like everything else. In practice it

may happen. However we have been asked a specific question by the Honourable Member. "Does this Ordinance create an addition to the National Debt and will these issues be charges on the Consolidated Fund?". The answer is no, it does not. That is the answer. Whether the fact that it does not, means that the Authority will not be able to raise money when the time comes for it to exercise the power, is something that will have to be tested in the market place. Until it is tested we cannot be sure. Members may be right or they may be wrong. We do not know that. All that we are doing is giving them the power to do it. Once they have the power we will see whether in fact they are able to raise money on the sums that they require. On the question of the sum, the Minister will have to convince the rest of us that it is a reasonable risk. If the Minister for Medical Services were to come tomorrow and say that she wanted to borrow £200m to create a Harley Street type hospital, she would have a very hard job convincing the rest of us.

HON P C MONTEGRIFFO:

One other point, if I may, Sir. If it is not intended that the House will have power, by resolution, to sanction the borrowing, how else will we effectively get to know of it? Will there be when the borrowing is effected a statement saying that the Health Authority had borrowed such a sum of money? How will it be treated simply as a commercial matter which will not be given a public airing?

HON CHIEF MINISTER:

No Mr Speaker, we are giving the policy a public airing now. We are certainly not going to accept that if the Health Authority wants to borrow £50,000 tomorrow there has to be a debate on whether that should be allowed. What the Ordinance is seeking to do is to go beyond the existing powers, where the Health Authority can currently raise money from a bank by way of an overdraft to meet recurrent annual expenditure without the authority of the House and without a debate and without it being a charge on the Consolidated Fund and without anything else. Now it seemed to us that it was more sensible for the Authority to come to the Government for money for recurrent spending and for the Authority to have the authority to borrow money to buy equipment or things like that by obtaining a loan from a bank just like any other organisations and companies can. We are looking, for example, at something that GBC has been saying for a very long time that they should have the right to borrow, which apparently at the moment it cannot do. It is something that we are looking at and we can see the logic of doing things like that. To answer the fundamental question, the answer is no this is not, as far as the Government is concerned, part of the Government's own borrowing and this is not something where any borrowing created here automatically is guaranteed by the Government or is automatically a charge on the Consolidated Fund. De facto it would be in the same sense that if tomorrow the Health Authority orders equipment

and was unable to pay the bill then they would come to us to pay the bill but it does not mean that somebody else can say to the Government, you ordered the equipment. No it is the Health Authority that has ordered the equipment. There is a legal distinction, because the Health Authority was constituted as a body, stopped being a Government department and became the Gibraltar Health Authority with certain powers to decide on how to spend and how to borrow. We consider that this is a necessary extension of that economical autonomy which is already there in the Ordinance. We do not know whether it operates like that in UK or not, but we can see the logic of doing it here.

HON P C MONTEGRIFFO:

Mr Speaker, when the Hon Minister replies could she confirm that whatever is borrowed by the Gibraltar Health Authority and the Chief Minister has said that it will not automatically be guaranteed by the Government, but will the Government undertake that if in the event of a guarantee being given by the Government to a lender it will then be brought to this House.....

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, it is required by the Public Finance (Control and Audit) Ordinance that any guarantee given by the Government has to be subject to a resolution of the House.

HON LT COL E M BRITTO:

Mr Speaker, I just wanted to raise the point arising out of the distinction made by the Chief Minister, the legal distinction, between the Government borrowing and the Health Authority borrowing, that if and when the time comes for debentures to be issued that publicity will be given to the fact that these are Health Authority Debentures and not Government Debentures. In order that people will not in any way be under the misconception that they are buying Debentures that have the full guarantee of Government instead of purely the technical one. Secondly I would be interested in a clarification as well of what assets the Chief Minister envisages the Health Authority using as collateral.

MR SPEAKER:

Are there any other contributors to the debate. I will then call on the Minister to reply.

HON MISS M I MONTEGRIFFO:

Mr Speaker, everything has been explained already and the Opposition have been given the required explanations on the general principles of the Bill.

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

The Hon J L Baldachino
The Hon J Bossano
The Hon M A Feetham
The Hon R Mor
The Hon J L Moss
The Hon Miss M I Montegriffo
The Hon J C Perez
The Hon J E Pilcher
The Hon E Thistlethwaite
The Hon B Traynor

The following Hon Members abstained:

The Hon K B Anthony
The Hon Lt Col E M Britto
The Hon A J Canepa
The Hon M K Featherstone
The Hon G Mascarenhas
The Hon P C Montegriffo
The Hon Dr R G Valarino

The Bill was read a second time.

HON MISS M I MONTEGRIFFO:

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

This was agreed to.

THE PUBLIC FINANCE (CONTROL AND AUDIT) (AMENDMENT)
ORDINANCE, 1988

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Public Finance (Control and Audit) Ordinance be read a first time.

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

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time. This is a very short Bill, Mr Speaker, the explanation is provided at the footnote of the Bill. The intention is quite simply to give more flexibility than the present Section 23 of the Public Finance (Control and Audit) Ordinance whereby when a Special Fund is wound up the proceeds can only go to the Consolidated Fund and it is proposed to take powers so that the proceeds can go into the Improvement and Development Fund or the

Investment Fund or the Consolidated Fund whichever might be deemed appropriate at the time. I commend the Bill to the House.

MR SPEAKER:

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

HON A J CANEPA:

Mr Speaker, are the funds into which the balance can be put, any money or assets remaining, are they limited to the three that the Honourable the Financial and Development Secretary has mentioned, in other words, the Consolidated Fund, the Improvement and Development Fund or the Investment Fund. Could it include, for instance, any fund created under the Social Insurance Ordinance? I am thinking of a situation where if, in the restructuring of the Social Security Scheme, any money were to remain in the present Social Insurance Fund when it is wound up, whether those monies could either be transferred into the new Social Insurance Fund or transferred into the Fund which the Government has created to meet commitments under the Supplementary Benefits Scheme or allied benefits. I do not want to go into any more detail, but if that is what the Government has in mind, to have that flexibility, we are more inclined to support the Bill. Mr Speaker, there is an alternative, of course, the money could go into the Consolidated Fund thereby increasing the Consolidated Fund and the Government can then from the Consolidated Fund transfer money into the Special Fund that I have referred to. Perhaps if we could have an indication of the Government's policy?

HON CHIEF MINISTER:

Certainly, Mr Speaker, I can confirm that my understanding of what the new provision would be, would enable us to do what the Honourable Member said, that is to say, it would give us a flexibility at any point in time to determine to move from one Fund to another Fund, as long as it was a Special Fund defined as such under the Public Finance (Control and Audit) Ordinance. This would include for example a new Social Assistance Fund which had been set up by notice in the Gazette. I am not entirely sure whether that is the case or whether it has to be a Fund covered by Statute, but if it were to be that its limited to a Fund covered by Statute then it would be possible to do the second option that the Leader of the Opposition has said, Augment the Consolidated Fund first and then vote to put the money into such a Fund subsequently.

MR SPEAKER:

Any other contributors? Does the Honourable mover wish to reply?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, not at the moment. There may be one or two points which may arise at the Committee Stage, Mr Speaker.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1986-87) ORDINANCE, 1989

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to appropriate further sums of money to the service of the year ending with the 31st day of March, 1987 be read a first time.

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

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time and I do not propose to make a speech on the general principles of this Bill which I think are fairly obvious.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1988-89) ORDINANCE, 1989

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to appropriate further sums of money for the year ending with the 31st day of March, 1989 be read a first time.

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

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time and the comments which I made in connection with the previous Bill apply equally to this one, as far as the general principles are concerned.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

IMPORTS AND EXPORTS (AMENDMENT) ORDINANCE, 1989

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Imports and Exports Ordinance, 1986 be read a first time.

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

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time and I think that one or two words are perhaps required to explain the purpose of this Bill. Sir, Section 73 of the Imports and Exports Ordinance, as is presently drafted, allows the Governor to declare, by order, the premises from which a range of goods may be sold free of duty and the range of goods is spelt out in detail in the Ordinance. This has the effect of making it relatively easy to amend the list of Duty Free Shops which sell duty free goods while retaining the rather cumbersome process of having to enact amending legislation in the House in order to vary the range of duty free goods, which is more susceptible to change. What the Bill before the House seeks to do is to make it easier to effect changes by putting the range of goods on the same footing as the list of shops, ie both can now be amended by Notice in the

Gazette and at the same time power to effect those changes has been transferred to the Financial and Development Secretary, I commend the Bill to the House.

MR SPEAKER:

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

HON P C MONTEGRIFFO:

Mr Speaker, will the form of the Order granted by the Financial and Development be the same as that previously granted by the Governor.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker it will be a straight forward Order there will be no change.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

The House recessed at 6.55 pm until Thursday the 2nd February 1989 at 11.00 am.

THURSDAY THE 2ND FEBRUARY, 1989

The House resumed at 11.00 am.

PRESENT:

Mr Speaker (In the Chair)
(The Hon Sir Alfred J Vasquez CBE, QC, MA)

GOVERNMENT:

The Hon J L Baldachino - Minister for Housing
The Hon J C Perez - Minister for Government Services
The Hon R Mor - Minister for Labour and Social Security
The Hon J L Moss - Minister for Education, Culture and Youth
Affairs

OPPOSITION:

The Hon A J Canepa - Leader of the Opposition

IN ATTENDANCE:

C M Coom Esq - Clerk of the House of Assembly

ABSENT:

The Hon J Bossano - Chief Minister
The Hon J E Pilcher - Minister for GSL and Tourism
The Hon M A Feetham - Minister for Trade and Industry
The Hon Miss M I Montegriffo - Minister for Medical Services
and Sport
The Hon E Thistlethwaite QC - Attorney-General
The Hon B Traynor - Financial and Development Secretary
The Hon P C Montegriffo
The Hon M K Featherstone OBE
The Hon Dr R G Valarino
The Hon G Mascarenhas
The Hon Lt-Col E M Britto OBE, ED
The Hon K B Anthony

RECESS

HON J C PEREZ:

Sir, I request that the House be recessed until this afternoon at 3.15 pm.

This was agreed to.

The House recessed at 11.10 am.

The House recessed at 3.25 pm.

PRESENT:

Mr Speaker (In the Chair)
(The Hon Sir Alfred J Vasquez CBE, QC, MA)

GOVERNMENT:

The Hon J Bossano - Chief Minister
The Hon J E Pilcher - Minister for GSL and Tourism
The Hon J L Baldachino - Minister for Housing
The Hon M A Feetham - Minister for Trade and Industry
The Hon J C Perez - Minister for Government Services
The Hon Miss M I Montegriffo - Minister for Medical Services
and Sport
The Hon R Mor - Minister for Labour and Social Security
The Hon J L Moss - Minister for Education, Culture and Youth
Affairs
The Hon E Thistlethwaite QC - Attorney-General
The Hon B Traynor - Financial and Development Secretary

OPPOSITION:

The Hon A J Canepa - Leader of the Opposition
The Hon P C Montegriffo
The Hon M K Featherstone OBE
The Hon Dr R G Valarino
The Hon G Mascarenhas
The Hon Lt-Col E M Britto OBE, ED
The Hon K B Anthony

IN ATTENDANCE:

C M Coom Esq - Clerk of the House of Assembly

MR SPEAKER:

Gentlemen, I would remind the House that we are now at Private Members' Motions and I believe that there is a motion, notice of which the Hon and Learned Mr Montegriffo has given notice of.

PRIVATE MEMBERS' MOTIONS

HON P C MONTEGRIFFO:

Mr Speaker, I beg to move that: "This House whilst recognising the need for friendly neighbourly relations with Spain and cooperation to the mutual benefit of both sides:-

1. Notes with concern the special privileges sought by the Chief Minister, at the frontier in respect of the proposed building components factory at La Linea;
2. Calls on the Government to give an undertaking that no final agreement on the establishment of the factory will take place until the question of all delays and queues at the frontier for both commercial and personal traffic is satisfactorily dealt with and resolved;
3. Considers that the Government's initiative on the building components factory constitutes a complete reversal of previous GSLP policy regarding the dangers of economic cooperation with Spain and the need for an independent and self-sufficient economy; and
4. Urges that no such agreement should be finalised until it is fully demonstrated through local public debate that the proposed factory in Spain cannot better be established here in Gibraltar's interest".

Mr Speaker, this motion starts with the reiteration of the acknowledgement from this side of the House that friendly relations with Spain and cooperation to the benefit of both sides is a good thing, an aspect of our relations with Spain which nobody would quarrel with but what we are questioning in this motion, this afternoon, is the Government's judgement and the manner in which that entirely acceptable principle, that of mutual cooperation for the benefit of both sides, has in fact been undertaken. Our contribution as well, is in no way a reflection of the commercial sense or otherwise, as far as the private interest in the venture is concerned. We are looking at this from Gibraltar's angle, the fact that from Gibraltar's point of view there are both economic and political implications to the type of initiative that is proposed and that at the end of the day we cannot just look at matters in terms of pounds and pence but rather on the general impact which such an initiative would have on Gibraltar generally. I propose, Mr Speaker, to go through each of the paragraphs and deal with them in turn. The first paragraph seeks to get this House to note with concern the special privileges that the Chief Minister is reported to be seeking at the frontier in respect of the proposed building components factory. Press reports over GBC and in both Panorama and the Chronicle have throughout stressed the apparent need for a special channel, a special access across the frontier to make this venture viable. There is a recognition or so it would seem, that one of the major problems is the question of traffic flow and that unless

the traffic flow across that frontier is ameliorated for the purposes of this factory, then the factory will be thwarted and its potential lessened. The whole idea of a special channel, although ostensibly still working on the same conditions or permission, as any other channel, is I think totally repugnant to the people of Gibraltar. It is repugnant because we have been saying for years that what we want at the frontier with Spain is the normal treatment that any other neighbour would expect to receive from another neighbour. We want normal neighbourly relations, no special privileges, no special concessions but normal relations. In fact, the seeking of a special privilege for this factory is totally against the line that Gibraltar has been taking in the past. The airport agreement, Sir, you will recall, contained provisions which provided for special immigration facilities for traffic landing in Gibraltar and going on to Spain and one of the big arguments, and rightly so, at the time of the airport agreement was "we cannot have this because we are giving special immigration rights to people coming in by plane". However, if you are driving in in a car you have to go through the customs barrier but if you are coming by plane you are not and some of us thought that this had implications over the question of sovereignty. In any event, the important thing is that we have one regime at the frontier, one that applies to everybody and to seek special privileges for the factory goes totally against that stand that Gibraltar has always sought to maintain. In fact, what it is, Sir, is almost an acquiescence, an acceptance of a Spanish restriction because it is a known fact that today there are delays at the frontier and there are times when it is worse than others. In fact, you have the Deputy Governor himself having to be taken out of the queue and taken through a special channel because the queues were so bad that he nearly missed his flight. If the Government were to seek a special channel for the factory, is it not acquiescing to a form of restriction that Gibraltar is still suffering. I think, in principle, it is quite misconceived and dangerous that Gibraltar should seek that special channel on that fundamental ground and that we are accepting that there is a problem with normal traffic and so please give me a special channel. That must be wrong, Sir, since it will be seen as acquiescence of the Spanish position. The whole question of queues, Sir, is dealt with in my second paragraph where I am calling upon the Government to address the matter on the basis that all queues at the frontier have to be dealt with. Let us talk about cooperation but cooperation on the basis of a flow of traffic which will be easy and flexible for everybody not just for one particular venture. That call is based on the concept of equality of treatment for EEC nationals, for all of us, and for any person wanting to drive or walk across the frontier. It is also based on the whole question of reciprocity which underpins the idea of mutual benefit. The clear position that Gibraltar has always stated and which I have mentioned already is that we want a normal relationship but because of our background we are not now

going to start being imaginative in giving special frontier treatment to our neighbour that has always tried to swallow us. If anything, what we are prepared to do is give that neighbour and expect that neighbour to give to us the normal International Rules that apply elsewhere, it other frontiers. The question of the frontier queues was, in fact, acknowledged as a problem by Sir Geoffrey Howe and Senor Ordonez himself at their meeting of December, 1988, when as part of the Airport Declaration, and although apparently a separate Declaration was part of the same agreement they undertook to urgently deal with the question of the queues and to resolve that problem. We all know what has happened which is, frankly, very little and we all suspect that although the declaration is supposed to be quite separate, the attempt to solve the queue problem and the Airport Agreement and, indeed, the ferry matter, are linked. The point is that this remains an on-going problem, an on-going area of dispute and difficulty with the Spaniards and that our thrust should therefore be as I say in my second paragraph, an attempt to resolve the matter for everybody. I have already highlighted and I will tend to do so throughout the course of my contribution, the terrible dangers of seeking a special privilege for one part of frontier traffic because we will then really find ourselves submitting or giving in to short term expediency because it is commercially attractive, potentially, and we are willing to forego the principle of normal traffic flow for everybody at the frontier. Sir, this matter is particularly worrying because I think there is no doubt and the whole of Gibraltar recognises this inside although we often do not articulate this reality, that Spain is using the frontier as a choke on Gibraltar. There is no doubt that the frontier is still being used by Spain as a choke on Gibraltar's economic engine and that it is open to Spain to open or close that choke more or less depending on how they feel things are developing. It should be a matter of top priority, and the Chamber of Commerce and various other parties have called for on a number of occasions, to get that frontier solved. Mr Speaker, what we should be saying, and I think we have said it to Sir Geoffrey, is how can you ask us to implement an Airport Agreement, how can you now ask us to be imaginative about living in Europe, if the very basic normal frontier traffic across the Spanish frontier is still used by Spain very much as a way of telling us off when something happens that they do not like or as a way of controlling the Gibraltar economy, etc. There is no doubt that many people do not come to Gibraltar, many residents from the Coast, because they are fed up of waiting an hour and a half or two hours in the queue. The matter arises because, in a sense, if the Government feels that it is in a position to give the Spaniards an alternative of, "this is a factory which will provide employment", we do not seem to have received anything in return for that type of gesture of goodwill which the initiative would seem to involve. The Chief Minister has argued that the days when we had to bargain, where we give you something and you give us something, should be gone and I think he said that that was an old philosophy and that cooperation should be based

rather on less prejudiced attitudes and more open and frank exchanges. Sir, with respect, I do not agree with that. I do not think we have seen from Spain, in the last two to three years, that degree of unilateral goodwill from their part which would justify Gibraltar taking that sort of step. Let us be frank, and the Chief Minister himself was at the forefront in arguing this not so long ago, Spain only opened the frontier because EEC accession meant they would have to do so and because we came to an Agreement called the Brussels Agreement which all parties thought would be an acceptable way for opening the frontier without Britain or Spain losing face but the reality was you had so-called democracy in Spain since 1975, after Franco's death, and Spain opened the frontier because there was pressure from their EEC accession. Spain has never, in fact, shown any other type of unilateral goodwill towards us. They will block our moves for voting rights in the EEC; they will block the visit of the then Chief Minister and then Leader of the Opposition to Strasbourg so that we do not even see the President of the European Parliament; they will block our schoolchildren when they go to Spain and want to hoist the Gibraltar flag and there is an international dispute to that effect. They will not allow the Chief Minister to appear on a Spanish television programme to give the Gibraltar point of view. Now here we are setting up a factory to help unemployment in La Linea without it having been suggested, at the very least as far as we are aware, and which will, among other things, require good access across that frontier, that once and for all there should be some normality at the Customs post. Let us try to have a normal flow. Wouldn't that have been a sensible way to deal with the matter? Wouldn't Gibraltar's position have been quite strong by saying "we will take an initiative but we want it on the basis of a normal customs regime". The attitude of the Government might be that as far as La Linea and Senor Pagan are concerned, that he is not competent to deal with the question of frontier queues and that therefore it is not a matter which could be put to Senor Pagan directly. Well, it is true that Senor Pagan is not the competent authority but neither is he the competent authority to decide if there should be a special channel for the building components factory. In fact, Senor Pagan - and it was reported in the press - visited Madrid specifically to seek, or so it was reported, a special channel agreed to. Obviously, at the end of the day, one will have to talk to those people who are competent to take that decision but it is an insult - and I said this on television, I think it is an insult to everybody who has to queue at that frontier, for both commercial and domestic reasons, for the Government of Gibraltar to want a special arrangement and it has to be at least a special arrangement, there must be something special about it, at the frontier. You have people in Gibraltar who do work in Spain, people who sell insurance, people who are Estate Agents, people who have to buy building components in Spain and they go in a car and they place an order and I know from first hand experience from people that tell me they have to wait an hour and a half, so why should those people who are also

earning their daily living, by having that cooperation with Spain which is natural, why should they not have their case fought for by the Government and I am sure the Government is sympathetic and wants to argue their case, but why should they seek a special channel for some other venture altogether? I think it is a blow in the face for them and something that they do not deserve and the Government should not be seen to be doing so. The whole question of the initiative, in fact, on the building components factory constitutes, in our view - and this forms the third paragraph of my motion, Sir - a complete reversal of what was seen, in any event, as GSLP policy on the dangers of the economic cooperation and on the need for an independent and self-sufficient economy. The word 'osmosis' that became so common in Gibraltar three or four years ago, the concept of this, it was argued, that the Brussels Agreement putting aside the question of sovereignty had another implicit danger and that danger was - this was the analysis of Hon Members on the other side of the House - the danger was that through the method of economic cooperation at Campo level, at the level of regional cooperation, that this was a way that Spain would infiltrate in influence and would therefore, to some extent, make redundant the whole argument politically and slowly make Gibraltar so dependent and vulnerable on the hinterland so as to weaken our ability to decide for ourselves what we wanted. That was, in essence, what people were being told by the then Opposition was the problem. I think, by and large, there was a recognition in Gibraltar, certainly from this side of the House, that there had to be care as to the extent to which Spain was allowed to come into Gibraltar. In certain respects it was difficult to control and if you had enormous building contracting firms that had resources that Gibraltar firms could not have, and because of our joint membership of the EEC, they could come in. The banks would also come in but there was a clear understanding that through instruments and vehicles like the Trade Licensing system in force in Gibraltar we would try to limit the damage which we might otherwise have to suffer. In fact, the whole problem of osmosis, I think, was raised by the then Leader of the Opposition in the debate on the Brussels Agreement itself - this is 11th December, 1984, and I am quoting from Hansard - the then Leader of the Opposition talking about Brussels and this is a fair lengthy quote but I think it is important to place it in context, said of Brussels: "that it carries within it the logic of the Common Market and the logic of the Spanish position for the last twenty years, that you are talking about economic development of the Campo Area. Certainly this is how it is clearly understood on the other side, there is no question about that. The people who were interviewed after the Agreement, the people who have come out on programmes on Spanish television, the political leaders on the other side, are clear that what is envisaged in the Brussels Agreement is the development of the area - not the development of Gibraltar - they are talking about a sort of development corporation for the area, possibly financed jointly, they are talking about a Regional Authority in which there will be participation from seven municipalities - six

on the other side and one on this side. So they are talking about a situation where whilst putting on one side the question of sovereignty and saying: 'we have now agreed that we are going to talk about that but that is for the moment on ice, let us get on with the practical job of behaving as if' - we are not talking about two nation states co-operating with each other, the Spanish nation state and the Gibraltarian nation state, we are not talking about that, we are talking about the development of a particular area of the Andalucian region using the resources of that area". And then he says: "The basic problem about regional economic cooperation stems from the fact that you are cooperating with a neighbour that insists that the territory belongs to them". The proposal that appears now to have been put to Spain, Sir, is very much, as I see it, the same type of situation which the Hon Member was drawing attention to as so dramatic a danger not so long ago and we accepted the danger. We actually accept that it is a danger, that Gibraltar must be cognizant of keeping Gibraltar Gibraltarian economically as much as possible. But what we cannot do, surely, is positively go out of our way to actually invite Spanish participation. We must limit the extent to which Spanish participation comes into Gibraltar to the extent that it is of mutual benefit to both sides but what we should not do is say: "We are going to go out of our way to have a joint components factory, or today have a joint venture with CEPESA, to have a joint venture with the Gibreair company Gardella and probably to have an International Airport jointly financed with Spain as well". Is that the same politician talking today as he was then? I do not think so, Sir, and I believe that the people do not have sufficiently good memories to realise that in fact we are witnessing a reversal of policy. A reversal of policy which we do not feel is a right reversal because Gonzalez in Spain may have said "I do not want to be in NATO" but he may have got into office and said "I think it is a good thing now and I am willing to go to the public and say 'Look, I have changed my view for legitimate reasons', and I am willing to put this to the people and if you back me you back me and if not I go", that is legitimate. We do not accept that the taking of this type of initiative without Gibraltar solving some of the other problems like the queue, is, in fact, the way that the matter should be proceeded with. Let us face it, when we talked about cooperation in Brussels or any other type of cooperation, what we really meant as Gibraltarians was - let us keep this thing going with the Spaniards for as long as possible holding back as much as possible, cosmetically doing as much as possible, and only cooperating when really we think we are getting the best deal possible. And that has to be something to which we have to give plenty of time to because until the Spaniards show their goodwill to a much greater extent than they have done so far, I am not happy about linking ourselves to a greater extent with them. In fact, in the petition that a number of young people brought to this House through the then Leader of the Opposition on Brussels, the petition in the second paragraph actually said 'we submit that to give preferential treatment to Spanish nationals by the advance implementation of EEC

rights would be a negation of the sentiment expressed above and undermines the rights of Gibraltarians in Gibraltar and its future sovereignty'. The whole concept of preferential treatment which, in that case was just a simple ten months advance of what everybody else in Europe was going to have, nothing else and the whole concept, at the time, was completely abhorrent to people, at least to the petitioners. But here we are talking not of giving ten months advance implementation, we are talking about a special channel for a very particular venture. It also, Sir, goes against the whole idea of self-sufficiency. I once asked: "Well, what does self-sufficiency mean in the context of an economically uniting Europe?" Does self-sufficiency mean that we are going to be able to do everything from Gibraltar? Is that what it was supposed to mean? That, clearly, was a complete nonsense. Come 1992 self-sufficiency will not mean anything like that. There is no such thing as self-sufficiency in those terms. However the whole idea of self-sufficiency, as I understood at the time, was that we should boost our economy up, make it independent, make it self-sufficient so that at the end of the day there was a constitutional purpose to this, at the end of the day we could actually show face to the Spaniards, we could actually stand up to the Spaniards and say: "Gibraltar wants this for itself and not have to be afraid of the repercussions that Gibraltar might face if Spain then put on restrictions", etc. That was the philosophy "let us get ourselves so strong in a self-sufficient way that we do not have to fear Spain". But here we are now going with them into a joint venture on a building components factory where for ten years this is going to be the mainstay of ingredients for the major building programme the Government has, we are talking about CEPOXY oil, we are talking about a whole element of economic integration and where does it leave us with independence for self-sufficiency? What my final paragraph urges, Sir, is that no such agreement should be entered into, that no such initiative on the components factory should be taken until there is a full public debate in Gibraltar on whether or not it can better be established here. The Chronicle reported Mr Bossano as saying that there were areas in Gibraltar where the components factory could be set up more cheaply, ie the Dockyard, but that Government preferred La Linea to show cooperation and also because in the long run it would have more future with a larger market in La Linea. From the Chief Minister's own words it appears that, at least in the short to medium term commercially, it can be set up in Gibraltar more cheaply. Is it that we do not need the jobs? Well, we have known about the PSA withdrawal and where the Unions are talking about a loss of about 600 jobs for some time now - and it is their figures not mine. We know about the withdrawal now of all or most of the Military Battalion which will also have some impact on civilian jobs and we are talking about several hundred jobs here. Is this the time to be generous with employment? Is this the time to be going to Spain and saying "Here you have fifty jobs and in return we do not want anything, all we want is a special channel for the factory". Is it not this the time to say: "Well, hold on we might

have more land coming from the military, we are certainly going to have more manpower release, we are going to have those vital resources that Gibraltar needs to get off the ground economically". We may want to go to Spain in the future if Gibraltar does achieve that growth that we all hope for, but now does not appear to be the time and it is not as though, Sir, that has been sprung on us now by Sir Geoffrey or by the World Service on Sunday morning. The PSA withdrawal, which is a more important reduction economically than the Military Battalion withdrawal, has been known for some time in Gibraltar. I do not see why we should find ourselves in a situation of being able to be generous when there may be people out of jobs in Gibraltar. The question of vulnerability, Sir, I also want to address briefly in that the Chief Minister in an interview in Europa Sur commenting on the problem of being vulnerable or otherwise, in particular in relation to the building components industry, said that the arguments used by the Leader of the Opposition and myself on being vulnerable were absurd because we were already totally dependent on Spain in terms of the fact that most of the construction firms were Spanish and that therefore if we were so dependent already what was the difficulty of having a building components factory. I think that was the reasoning. Sir, the point is that surely we are dependent to a certain extent and vulnerable to a certain extent but we are not going to go out of our way to make ourselves more vulnerable. We are going to go out of our way to make ourselves less vulnerable. Politically what we are going to do is we are going to try as well to give the right message to Spain all the time, we are going to tell them: 'Yes, we are prepared to come to a commercial arrangement with you but once you normalise situations with us, you normalise the ferry, you normalise the frontier'. There is a political vulnerability of perception, the way people see it and this is vitally important. The Spaniards are delighted with the venture, the British are delighted with the venture and yet there was a time when Mr Bossano used to say that anything the Spaniards thought was good for Gibraltar must be bad for us. But here not only is the Spanish Government and the British Government in favour but even Senor Fraga who, in fact, was against the Brussels Agreement because he said that the British had got everything and they had got nothing has said in Algeciras "I am all for it, it is fantastic", he is now a friend of Gibraltar, the man who in the 1960's was calling us "people who were selling peanuts to the British soldiers", this chap who is one of the few remaining politicians in Spain belonging to the Franco regime and who says that this is a good initiative. We should start thinking if we have friends like that then what sort of enemies does Gibraltar need. Sir, I hope that I have been able to demonstrate that essentially what we are concerned about is that we should not in Gibraltar be taking unilateral steps of this nature, towards Spain, when we politically have matters to resolve with them like the frontier queues and where economically we have a situation of unemployment arising from the PSA and military reductions which should be addressed through public debate here first. I hope that the Government

in their contributions will deal with the points on the merits of arguments, rather than on the basis of unreasoned rhetoric. I think the matter is important because, ultimately, the way Gibraltar survives will depend on the economic link that we are going to have with Spain and there is concern on this side of the House and, I think, in town generally, that more and more, and although we have investors from further afield, we are cementing an economic relationship with Spain through CEPOXY Limited, through Gardella, through all sorts of arrangements with the Spaniards and that, in fact, Gibraltar could do without, without having got anything in return. Sir, I commend the motion to the House.

Mr Speaker proposed the question in the terms of the motion as moved by the Hon P C Montegriffo.

HON M A FEETHAM:

Mr Speaker, before the motion was brought to the House, Gibraltar was subjected to a number of press statements made by the Hon Member opposite and, in fact, gave an interview on GBC making known his immediate reaction to the Government's initiative and if I may just take up one of the points which he has raised today in the House and which reflects the contradiction that the Hon Member constantly goes into. Today he says that the unofficial restrictions which take place from time to time at the frontier are a kind of a choke on Gibraltar which the Spaniards can turn on and off as they see fit and that therefore we ought to be careful about what we are doing and yet in the interview with GBC with Clive Golt he said, referring to the initiative on the building components factory: "I should say this that we feel quite strongly that it is highly probable that this factory will never see the light of day. I have said before that my own assessment is that this is just another move in Mr Bossano's diplomatic effort to demonstrate to Sir Geoffrey, prior to the Anglo/Spanish talks early in February, that he is keen to show that he wants to get on with Spain but, in fact, the September deadline that is imposed makes it so difficult for Spain to deliver that it seems unlikely that the factory is going to come into operation". Clive Golt then went on and said: "So what is wrong with that?" and Mr Montegriffo then said: "That is frankly a farce and it is not calling a spade a spade and it is not straight talking quite apart from the fact that if this was the case it will introduce an element of dishonesty in relations with our neighbour which I frankly feel our neighbours do not deserve". So what he is saying is on the one hand that they use a choke and on the other hand that the initiative that we are initiating is being dishonest with our neighbours. Get it right, what is it that you want Mr Montegriffo? The other point that he laboured on for some time, before I concentrate on the motion, Mr Speaker, he made a point about this so-called privilege request that my colleague the Chief Minister is supposed to have requested in connection with the components crossing the frontier and which, of course, he has picked

up from the press because as far as we are concerned, and I think, we have made it quite clear that what we are looking for in our own analysis of the economic development that can take place in the area and where we can participate, is on the basis that Gibraltar's position can be exploited to create the potential and the economic growth that would mean for the people of Gibraltar a high standard of living comparable to the rest of Europe. And that potential should not be, if it is possible, not limited to the economic growth of Gibraltar but take into account the potential and the economic growth that will take place in the surrounding areas of Gibraltar because that is what European Community policies are about and that is what economic development, in the region, has to be looked at, against that sort of background. Gibraltar's position, therefore, in being able to provide services which it has always provided and continues to provide worldwide, can be used to the benefit of the region. What we were saying was that one of the strategies in pursuing that policy, is the creation of an industrial belt in marketing Gibraltar that can come into play in the package that we can sell, in developing an industrial belt, and that it is necessary, as an integral part of that package, to have a new cross-over point with normal customs facilities at the frontier and it cannot be on the basis as the frontier, at the moment, is organised. That is the point we were making. We were not saying a privileged cross-over point for the building components factory, we are talking about a much more comprehensive and, if I may say so, a much more visionary outlook with regards to the economic development of the region in the future. Now having listened to Mr Montegriffo today, quite frankly, I will not take the Hon Member seriously and I do not think a lot of people are going to take him seriously, because I get the impression, having listened to him on a number of occasions, that he considers that politics, as far as he is concerned as a Member of the AACR, only started ten months ago, the moment he was elected to the House and that for what has happened in the past he bears no responsibility and that his party bears no responsibility for the actions of the past. Today he has given another clear impression with all sorts of contradictions and, quite frankly, he ought to think before he says things because they are bound to bounce back in his face. Mr Speaker, how can he reconcile the position taken by the AACR, his party, at the time of Brussels with the position that he is demanding of the Government today? That is what I am asking Mr Montegriffo. How can he reconcile...

HON P C MONTEGRIFFO:

Mr Speaker.....

MR SPEAKER:

No, you will have a right to reply in due course.

HON M A FEETHAM:

How can he reconcile that position with that of the AACR, when at the time of Brussels there was a demonstration against it, public meetings were held against it and yet the AACR rejected the motion in the House to go and consult the people. Now he wants us, simply on the basis of the possibility of setting up a building components factory in Spain, that has no political implications or conditions on sovereignty or otherwise, to practically hold a referendum in Gibraltar, a public debate in Gibraltar. I do not know whether the Hon Member wishes to be taken seriously but certainly not on the basis of that blatant contradiction of policy. The position is also vastly different to the position taken by the AACR, because the Hon Member is aware that today we have the support of the Chamber of Commerce and the Trade Union Movement and that we are able to demonstrate that this initiative is to the benefit of Gibraltar. Mr Speaker, with regard to the building components factory - we have no spare space here for the factory neither will I accept that this increases our dependence on Spain. The Hon Member has already said that the majority of materials come from Spain and that the majority of building contractors are Spanish and, of course, he is quite right, this happened with the AACR Government in office and our dependency on Spain for the construction industry was developed and encouraged by the AACR, that is a fact. The factory that the Danish investors wish to set up does not make us in any way more dependent on Spain and I want to make clear, Mr Speaker, the position of the Government, the policy of the Government so that we understand it once and for all. The Government will give political support to any private sector initiative which we identify as being in Gibraltar's interest or there is clear evidence that it will be mutually beneficial. Whilst this proposal, Mr Speaker, is purely a GSLP alternative, it needs to be spelt out that they are the proposals which we defended during the election campaign against accusations, particularly from the Hon Mr Montegriffo, in a number of debates in public, when it had been predicted that the GSLP administration would virtually lead to the closure of the frontier because we were anti-Spanish and we did not want cooperation with Spain and that this was not possible unless one was committed to the Brussels process, Mr Speaker. His predictions on the confrontation with Britain and the confrontation with Spain, that the GSLP would produce, were completely off target. And his prediction today, that we are placing Gibraltar at risk, is equally off target. They were, of course, Mr Speaker, political gimmicks, during the election campaign and they are political gimmicks today, even though today incidentally, he is saying diametrically the opposite of what he said during the election campaign. Mr Speaker, we defended the policy of the party for cooperation with Spain, outside Brussels, during the election campaign and we made an immediate announcement on the 25th March, at the first Press Conference held by my colleague the Chief Minister. Whilst we are glad that the initiative

has been welcomed by both London and Madrid and, as far as we are concerned, it is fundamentally a matter for the Government of Gibraltar to develop, because it is a matter within the province of the Government of Gibraltar and has nothing to do with Gibraltar's constitutional position, vis-a-vis Britain, or Gibraltar's future decolonisation or Gibraltar's sovereignty or any other related elements that have been mentioned in the context of the Brussels process. Because in the case of the building components factory, Mr Speaker, it will assist to speed up the construction of Gibraltar's economic development and is based only on that, on the commercial and economic consideration which the Government has given to the building components factory, that we are supporting it. While it is cheaper to build a factory in Gibraltar, Mr Speaker, it can only be done here cheaper by using existing buildings which would then not be available for other uses. However, the reality of the situation is that if we locate the factory in Gibraltar on new land the cost would be more expensive than locating the factory in Spain on new land. If we use an existing building in Gibraltar as compared with an existing building in Spain, it would be more expensive in Gibraltar than in Spain. It is only when we use a building in Gibraltar and provide the building free that it becomes cheaper in Gibraltar. So I am afraid, Mr Speaker, that the Hon Member opposite has reacted without knowing the facts, simply on hearsay and what he has heard in the press. No doubt, Mr Speaker, when he becomes a little bit more experienced he will stop doing that. There are, of course, further commercial details which we are not prepared to make public. These have been shown to us, on a commercial basis to demonstrate its viability, and as the Hon Member will recall the AACR argued quite rightly that it could not disclose the commercial prices of A & P Appledore for GSL as it would prejudice the commercial operation. The factory, however, let us make it quite clear, will have to compete with everyone else like any other building enterprise, building components or otherwise, it is purely a commercial consideration. The Opposition is quoted as saying that if Government came to the House for funds for this project that they would vote against it, well and good, Mr Speaker, they are entitled to do that. But the Hon Member should have waited for this to happen and then made his case because in pursuing economic policies the Government wishes to put labour and land to efficient use, since land is the prime asset of Gibraltar, and land has to be developed in the best interest of Gibraltar. We said so during the election campaign, we put it in our manifesto and we shall not deviate from that policy since it is central to our economic thinking, Mr Speaker. The building components factory and any other industry will be judged by Government within this criteria, of what is the best way of using land and labour in Gibraltar. How can anyone possibly argue against that, Mr Speaker? If the Opposition wants Gibraltar to succeed then I would suggest, Mr Speaker, that they would do well to judge the initiatives being taken by the Government by the results it obtains and then and

only then will they be able to pass judgement by seeing whether it is proving to be in Gibraltar's benefit or not. I can only assume that it is because they know that it is going to be successful and that therefore they know that their predictions of economic disaster and confrontation are going to be proved wrong, that they are using this feeble attempt to discredit the proposal even before it has got off the ground. I think I will just round up by saying that the Government is maintaining open the option of making land available in Gibraltar, should it find that the alternative site being looked at by the Danish investors in the Campo Area, in the timescale that the Government would like to see the factory in operation so that it can assist in the construction industry developing at a faster rate than it is possible relying entirely on traditional building methods. Therefore the Government, in principle, is committed to giving political support to the venture on the basis that it will assist Gibraltar's economy taking into account Gibraltar's best interest. If that is not enough to satisfy the Opposition, we are confident that it is more than enough to satisfy the people of Gibraltar who will see when the results come through that the strategy has been the correct one and that Gibraltar benefits from such a strategy, Mr Speaker.

HON G MASCARENHAS:

Mr Speaker, for a Government that won a general election barely ten months ago in such a spectacular fashion, it could be said that the obtaining of that result was because their powers of persuasion were considerably greater than our own. The Government, and in particular the Chief Minister, must think that those powers of persuasion are so great that he can go on television and tell the people of Gibraltar that he should obtain special privileges at the frontier for the speedy transfer of goods for the so-called factory and expect the people of Gibraltar to say 'Amen'. I must say, Mr Speaker, that in general terms we do not oppose the setting up of a components factory. What we do question the mechanics of the way that the Chief Minister is setting about it. The Government want the factory in La Linea to function with no bureaucratic delays for its goods but the Government does not seem to be concerned with the traders, the established trade or, as Mr Montegriffo mentioned earlier, the backbone of the economy of Gibraltar and which certainly have a lot to play in the economy of Gibraltar and they are suffering the delays which affect their business just as much as the general public has had to suffer the frustrations of being stuck in frontier queues every now and again. Mr Speaker, these are the things that the Government should address themselves to when Mr Bossano visits the other side. The rubbish problem is a case in point, it could be resolved very quickly but, of course, that was an AACR initiative and it seems that the Government will have nothing to do with anything which the AACR thought of before. The reclamation that the Government is undertaking at Westside, surely a site could

be found there to build a factory. I do not know the measurements of the proposed factory but, surely, there must be enough land there that could be made available. Gibraltarians could find jobs there, those that require a job, if not, Spaniards are quite welcome to come and work in Gibraltar but pay PAYE here and pay social insurance here whilst if the factory is set up on the other side we are not going to reap any of those benefits. Whatever benefits we are going to obtain the Minister has just not answered except, of course, that we are going to get possibly cheaper components for the building programme of the Government. Mr Feetham referred to contradictions. I will not go into this because Mr Montegriffo can defend himself when he exercises his right of reply. What I will say, on the Brussels Agreement, is that on the day we thought it was right and today's Government think that they were right and that we were wrong. What we are telling them today, is that they are doing a complete reversal of what they thought was wrong but now is right. Mr Speaker, Mr Montegriffo was not a Member of the last Government but I certainly was, and I can tell the Hon Chief Minister and the Members of the Government that their cooperation today with Spain goes far beyond what any AACR Government would have contemplated today. Thank you, Mr Speaker.

HON K B ANTHONY:

Mr Speaker, I welcome the chance to add a few comments to the arguments put forward by my Learned colleague. He spoke, first of all, of the necessity for cooperation and friendship with the people in the Campo Area and I believe fervently in friendship with everyone. In our community we must face the fact that we are linked in many ways with our friends across the border and I fully accept this. We are linked through friendship, some Gibraltarians are linked through marriage, we have the knowledge and use of a common language and I think that everybody in this House will agree that the man in the street in Spain is just as pleasant a person as the man in the street in Gibraltar. The proposed components factory, Mr Speaker, that is to be set up will help appreciably in easing unemployment in La Linea and one must accept that argument, although I cannot help remembering that their economic situation was not of our doing since it was caused by the action of their own Government in their unsuccessful attempt to strangle our economy. I believe in the old adage 'Charity begins at home' and I will return to this theme a little later in my contribution. The Chief Minister, Mr Speaker, is on record as having said that access for these goods both from Gibraltar into Spain and vice versa, the finished articles, he wants to be given the privilege of a special channel that would take these articles out of the normal queue and the Hon Mr Feetham has just said that it is necessary to have a new cross-over point that he says is not privileged. Mr Speaker, I say it is privileged, as long as there is a queue to the ordinary man, woman and child crossing over that frontier as well as for the people taking

ordinary goods into Spain and bringing them back because if you have a special channel it is privileged. Mr Speaker, every day there are queues at one time or another to get into Spain or to come into Gibraltar and if you decide to go to Spain by car you have to go into the queue at the loop. When you go into that queue you do not know how long you are going to be there, it could be ten minutes, it could be two hours and once you are in the queue you cannot get out until you get to the front of the queue since there is no escape route. As a result you get short tempers, children get fractious, cars sometimes break down and all too often it is because of the insistence of the Spanish authorities that local motorists have little bits of paper that they say are required by law, although we know that some of them are not required by international law, we still have to have them. We still have, on occasions, to produce them and this can add up to two hours aggravation. Yet we are told that nothing can be done to ease the queue for the ordinary motorist. Señor Pagan himself has said that this is an area for discussion at a different level. At what level, Mr Speaker, I would like to ask? Is the Mayor admitting that he is powerless to ease a lot of the ordinary motorist and wishes to wash his hands off the matter rather like Pontius Pilate? Yet this is the man who has been asked by the Hon Chief Minister to provide a special channel for this Joint Venture Company because, presumably, in the Chief Minister's opinion he is in a position to provide this channel and I would have thought that if he could provide such a channel then he could equally influence the easing of the queues at the frontier since I do not believe that he is as powerless as he says. Up to now, Mr Speaker, I have been referring, in the main, to those people who go to Spain for pleasure, those who want to take a ride through the countryside, go for a meal, do some shopping, and possibly to visit family or friends. But how about those Gibraltarians who have to cross the frontier by car?

MR SPEAKER:

With respect, I think we have given you some latitude. We are not debating the restrictions at the frontier. You can refer to them, most certainly, vis-a-vis the terms of the motion but let us not make a debate of that.

HON K B ANTHONY:

No, Mr Speaker, I am referring to it because I think it is a very important point because whilst queues exist and as long as a special channel is being sought for these goods, I feel there is.....

MR SPEAKER:

Fair enough but we must not belabour the point more than we have to.

HON K B ANTHONY:

Yes, Mr Speaker. Those who live in Spain have their working day extended every day by having to queue to come into Gibraltar in the mornings and to go back at night. I would suggest, Mr Speaker, that the Government give an undertaking to this House that unless and until these frontier delays are brought to an end, he should not come to any final agreement with Señor Pagan over this proposed factory. They are getting something of importance from us if this factory goes ahead and the least we can expect is something in return, particularly, on the frontier obstructions caused by this latest nation descended in from the brotherhood of Europe. This is not to say, Mr Speaker, that I agree with the setting up of the factory in La Linea. For a long time the Chief Minister has used this threat of osmosis, the risk of the weakening of our identity in relation to Spain, as one of his reasons for the development of an independent and self-sufficient economy. Now this components factory is in the pipeline we have another in-word 'symbiosis'. Symbiosis in the figurative sense means the cooperation of persons living together. As there is no chance at all of our two communities living together in an integrated society, I can only assume that symbiosis means in this case the cooperation of our Chief Minister and the Mayor of La Linea, Señor Pagan. Mr Speaker, no matter how glib tongued the Chief Minister may be in defending his decision to set up this company, the fact is there for all to see. This is a change of policy. Osmosis and symbiosis are the two opposite ends of a seesaw and the balance has changed drastically from last year to this. I see great dangers ahead in putting forward this factory as a concrete example of cooperation between our two communities. The word 'cooperation' means the working together to the same end. But I know and everybody in this House knows that the same end of a loyal and patriotic Gibraltarian is not the same end of a loyal and patriotic Spaniard. The ends are miles apart. The Hon Chief Minister may simply say that this factory, being outside the Brussels Agreement, is an economic means in itself but I fear that Señor Pagan may not see it quite so clearcut. He may well see it as being the first step to what is in the hearts of the majority of Spaniards, the eventual integration of Gibraltar into Spain. That is the political problem, that I think, that this factory could lead to. There is also, Mr Speaker, an economic risk as I see it. Suppose, for whatever reason, that some time in the future difficulties were set up to interrupt the flow of these building components into Gibraltar, then without the components our housing development programme would also be set back and this could happen, Mr Speaker, we all know that this could happen. These are risks that the Chief Minister may well gloss over and feel confident that will never happen but many people besides myself are questioning the change in Government policy and the shift from an independent self-sufficient economic policy to a policy that does incorporate a dependence upon our neighbours. This brings me, Mr Speaker, to my final point

in my contribution. I cannot share the Chief Minister's enthusiasm and support for this factory being set up in La Linea when he is on record, whether it is true or not, that it could be cheaper to set it up in Gibraltar. According to the press reports he gave the reason that he wished to show cooperation with La Linea because in the long run it would be more beneficial to La Linea and I ask the question "why is the Chief Minister so concerned about La Linea?" If the factory would be cheaper here, logic and economic sense says it should be built here. Imagine such a factory here on the Rock. Firstly, it would offer a potential fifty jobs to Gibraltarians and perhaps there are fifty people already in jobs in Gibraltar, but perhaps they are unhappy in their jobs and would welcome the chance to work in a new components factory. I do not know but it is a possibility. Even if there were not enough local people to take up the fifty jobs, I am sure that many unemployed Spaniards would be quite willing to commute every day from the Campo Area to work in our factory, to make up the shortfall. They might be late for work occasionally because of the frontier queues but that would not be our fault. I am only concerned in this debate, Mr Speaker, with the proposed components factory although there are supposed to be two other Joint Venture Companies in the pipeline. Why should La Linea benefit from all this economic bounty when it could well be the case that having this factory here would benefit us immensely, fifty jobs - and I am quoting the figures that were published - £400m turnover in ten years, that is a lot of money. I am going to mention very briefly, of course, the announcement of the reduction of the resident battalion and the shortfall of jobs with PSA moving out. There will be people unemployed in the future and what better time to start thinking of these people and setting up the factory here, rather than worrying about setting up the factory in La Linea to help ease their unemployment problems. Mr Speaker, I feel that the Hon Chief Minister should convince the people of Gibraltar that this economic boost for La Linea is good for our community. Let him prove to the people of Gibraltar that although it might be cheaper to set it up in La Linea, in the long run it might be better for us, financially speaking, than have it over there. Let us see proof from the Chief Minister that this so-called symbiosis is not letting the Spanish toe in the front door of our local economy. Thank you, Mr Speaker.

HON A J CANEPA:

Mr Speaker, two Members of the Opposition, one after the other, have followed Mr Feetham in the debate and I do not mind getting up and doing so myself as it appears that there is no other contribution from the other side, notably, from the Chief Minister who, after all, is the one that made the headlines in the local media.

HON J C PEREZ:

Mr Speaker, if the Hon Member will give way. I did inform the Hon Member before we came in that the Hon the Chief Minister would intervene if he thought necessary.

HON A J CANEPA:

No, my information was that he was not going to.

HON J C PEREZ:

I did inform him of this in the Lobby, before coming into the House.

HON A J CANEPA:

My understanding was that he was not going to speak unless he was actually drawn to do so. I hope to be able to succeed in the wellknown bullfighting term which can be roughly translated as 'drawing him out into the middle', otherwise we would only be favoured with the benefit of a type written speech from the Hon Mr Feetham which, no doubt, he will now circulate to the media. Mr Speaker, prior to and even at the height of Franco's campaign against Gibraltar, it was probably true to say that the attitude of Gibraltarians towards our Spanish neighbours was based entirely on a desire for friendly relations. Politics aside, we have always liked them as a people, we have developed family ties with them over the years and therefore we have wanted to live peaceably side by side. In today's difficult and complex world when there is such a need for cooperation against common dangers such as terrorism, social evils such as drug trafficking, few in Gibraltar would quarrel with the view that cooperation with our neighbours in the Campo Area to mutual benefit is a good thing, at least in principle. The House itself, I would submit, should reflect these attitudes and so we in the Opposition would support, in principle, efforts which are made by the Government to implement measures with the Campo Area that would give effect to those principles. Just over a year ago, particularly because there had been many instances of lengthy delays at the land frontier during the course of 1987, an Agreement was concluded by the Secretary of State with Senor Ordonez about the need to improve matters at the frontier and this Agreement was not part of the Airport Agreement, it was signed at the same time but it was recognised as being quite separate and not conditional on the Airport Agreement at all. Now fourteen months later nothing has been done by Spain and from time to time delays, even at the apparent whim of a particular official, are the order of the day. Delays which cause serious disruption not just at the frontier but all the way back to traffic in the heart of Gibraltar. Whilst we do not hear reports of similar delays at the commercial gate for lorries and other commercial

vehicles, nevertheless everyone who uses that access has to take his normal turn in the queue without anyone having special privileges. Mr Feetham has told us that the Government is not asking for a privilege in respect of the cross-over point at the frontier which they are requesting for the building components factory. I would like to quote briefly from the report in the Gibraltar Chronicle of the 11th January this year which quotes the Chief Minister, at a Press Conference, as saying "that for access across the frontier he wanted the flow from Gibraltar and its Port into Spain to the factory and vice versa, to be given the advantage of a special channel that would take it out of the normal queue albeit preserving the existing legal requirements". Now what interpretation can one put on the phrase "the advantage of a special channel that would take it out of the normal queue" if that is not a privilege. Then how else do we describe the privilege if not in that fashion? The request for such a special channel is wrong in principle. It is detrimental to other commercial users and it shows a disregard for other people using the land frontier. The Chief Minister should insist on the implementation of that agreement about delays without any further delay and regardless of the views of this House and the people of Gibraltar about the Airport Agreement and its consequential non-implementation. He has had an opportunity to do this earlier this week when he met the Secretary of State and perhaps he might be in a position to tell us something about that. For many years, Mr Speaker, both in the controversy surrounding the Brussels Agreement and subsequently when Señor Moran coined and applied the word 'osmosis' to his interpretation of what would flow therefrom and the dangers of the Brussels Agreement leading to economic integration, the Chief Minister has often spoken and acted virtually as if Spain did not exist. He had turned his back on Spain and we could all live and go about our business cocooned and shut away as if we were living on an island without a landmass north of us. But on becoming Chief Minister, he started shortly afterwards, a few weeks afterwards, to hint at the possibility of the building of the factory in La Linea with Gibraltar apparently going out of its way to do more than normal neighbourly and friendly cooperation would demand, including investment from Gibraltar business interests and possibly even the Government itself or, to put it another way, the taxpayer itself. Now I ask, Mr Speaker, how does it all fit in with his concept of an independent and a self-sufficient economy? How does it fit in with the interpretation, as we have heard my colleague quoting from Hansard in his contribution from the interpretation which Mr Bossano had of the Brussels Agreement and the development of the Campo Area as recorded in Hansard of December, 1984? What is the Chief Minister now up to? I think it is no wonder that Sir Geoffrey Howe says that the Chief Minister is working alongside Brussels. What would the Chief Minister do to ensure that the Spanish authorities do not set up obstacles before the importation of building components into Gibraltar? What would happen then to the Government's plans for low cost

housing? But that is not all, he is also quoted in the same issue of the Chronicle as saying - and I think my Hon colleague, Mr Montegriffo, referred to that - "that for the building components factory there were areas in Gibraltar where the factory could be set up more cheaply, for instance, the Dockyard". Is it not better, therefore, to go ahead and have full control over the matter, to create jobs for residents here in Gibraltar, if not all of them were to be filled then the rest could be taken up by the Spaniards and, as my colleagues who have taken part in this debate have said previously, they would be paying taxes in Gibraltar for the benefit of Government revenues. In any case, now that we know that there is the definite prospect of the loss of several hundred jobs in the economy of Gibraltar as a result of the reduction in the resident battalion and as a result of the winding up of DOE/PSA, this should become a prime requirement for the Government to create such jobs for our own people in the first place, who are going to be made redundant. There is, to my mind, no logic in the Government saying 'no' to the disposal of rubbish in Spain because we can be held to ransom by the Spanish authorities and not apply the same considerations to the movement of materials, the finished products to and from the La Linea factory. Mr Speaker, what is happening to the Chief Minister? Is his judgement failing him? Is he working too hard? Is the stress of office beginning to tell together with the jet lag from so many trips all over the world during the last nine months? He should really reflect on what the Government is up to. This is not a popular move at all and even his own supporters will tell him that. He should really think again, take a holiday, relax before reaching a final conclusion on that matter, after all, Mr Speaker, there are all of 8,127 votes at stake - we will give him his own, no doubt he will vote for himself next time - those votes are all in danger. The Government should really reconsider their policy of Joint Venture Companies with Spanish interests. Mr Feetham has spoken about support from the Chamber, what support from the Chamber does the Government have? Support on the setting up of this factory? Can he quote chapter and verse because I have been looking through past issues of the local press and I cannot find a statement from the Chamber of Commerce that they support the Government on this venture. Is it that the Chamber supports the Government generally on the setting up of Joint Venture Companies? I do not think so, I think they have made it clear that they support the setting up of Joint Venture Companies provided they are not in competition with established firms in Gibraltar, in the private sector. Or is it that the Chamber supports the Government generally, is that what he means? Perhaps I would invite any Member opposite to clarify the matter. But, Mr Speaker, the Government really ought to rethink. People are confused about the motives of the Government in creating these Joint Venture Companies, in particular the one we have been reading about this morning in the press, a Joint Venture Company with CEPESA. Where is it all taking us? Where will it end? Is it going to end, Mr Speaker, I wonder, in a Joint Venture Company between the GSLP Government and the Government of the Kingdom of Spain to be known as 'Osmosis SA'?

HON CHIEF MINISTER:

I am not sure that it is the Hon Member that has drawn me out or my Hon colleagues that have urged me to come out, Mr Speaker. Clearly, the Leader of the Opposition is very concerned to make sure that we win the next election because his major worry seems to be that what we are doing is not popular, not popular at all, not even with our own supporters. That is to say, the fact that we now have, according to the last opinion poll, 11% more supporters than we had when we won the election is still not enough to keep him satisfied, he wants us to have even more supporters. Obviously it will only be a matter of time before they all cross the floor, homesick, Mr Speaker, and then we can have 'Osmosis SA' in the House of Assembly and we do not need to go to the Kingdom of Spain to have it. The policy of the Government of Gibraltar is the policy that the GSLP defended in the election campaign. The Members opposite, independent of any explanations that are given to them, keep on saying what they think is going to get them back the votes they lost and that is their only concern. They do not really care whether Gibraltar is weaker or stronger or more prosperous or less prosperous, it is the weakness and the prosperity of the AACR which is the only thing that bothers Members opposite and we have had examples of that during questions in the House when the Hon Member kept on admitting that he had been given the explanations on the Spanish pensions but said that there was a limit to how patriotic he could be without risking his ever getting back on this side of the House and occupying this seat. The fact that that was said in the House did not stop them coming out immediately afterwards with a release saying that they were not satisfied with any of the answers and that the people were still all very confused and all very worried. Well, it is clear that the people that have something to do with the Hon Mr Canepa and with the AACR are all very confused and all very worried and well they might be because there is very little that is going to be left of the organisation of Members opposite unless they really, I think, wake up to the fact, Mr Speaker, that they are failing to make any impact on people because they are failing to demonstrate their capacity to handle the situation where the Government is introducing policies and when they jump the gun, they jump the gun because they feel that in order to demonstrate that they are not nine-tenths dead they have to show that they are alive by reacting to things without bothering first to find out whether the reports in the press are consistent with the facts. Of course, we could be facing, I imagine, for the next four years consistent motions in this House and when the mover of the motion stands up, like the Hon Mr Montegriffo did today, he says he is moving the motion on the assumption that certain things that have been said are correct. Well, I do not think that this is the way to go about it. I do not know whether he thinks we have now had the local public debate, which he thinks we need, but the position of the Government of Gibraltar is a very simple one. We are pursuing a policy which will

generate economic growth, as I have already told Hon Members opposite in answers to questions, consistent with the targets laid down by the Government and we can see that there are major advantages in combining the assets of Gibraltar, the skills that Gibraltar has - like the skill the Hon Member has as a lawyer - with the skills that Gibraltar does not have and which people in the Campo have and which we can only use in Gibraltar by bringing them over. I cannot, for the life of me, understand why Hon Members opposite seem to think that it would be better for the people in the queue to have even more people in that queue. Either they want the lorries that bring the building components to make the queue longer or else they want the factory here and they want the workers that are coming to the factory to make the queue longer. What we are trying to do is, in fact, to keep congestion across the frontier to the minimum and since we are talking about a situation where there would be an industrial belt on the other side which would benefit the business community in Gibraltar and benefit the professional people in Gibraltar, the accountants and the bankers and so forth because they would be able to provide the expertise on this side to firms that would have the production facilities on the other side, and the building components is simply one example of what it might be, there is nothing magical about the building components, it is something that is ready to move and it makes sense, if it can be shown to be commercially viable on the other side, to have it on the other side. The Leader of the Opposition comes up and says "why is it we are not doing it here if it is cheaper?" He has already been told of the economics of it. My colleague Mr Feetham explained to him that it was only cheaper if we could provide a building here at no cost. If you had to pay for the building here and to pay for the building on the other side it was cheaper there. If you had to build the building here and you had to build the building on the other side, it was cheaper there. Of course, if you get a building that is already there unused and for which there is no use and therefore one which has not got an opportunity cost, then it is cheaper to have it here with a free building than to have it on the other side with a building that has to be constructed. Mr Speaker, he was given that explanation and having been given the explanation he then stood up and said he wanted an explanation. Well, it shows that it is a waste of time, and it is a waste of time giving him explanations, because they are not interested in the explanation, Mr Speaker, they are interested in the political impact and in whether they are going to get votes in 1992 as a result of the noises that they are making in 1988 and 1989. Obviously the people of Gibraltar are going to judge the success or failures on which we are embarked by the results and not by anything the Opposition may say in motions in the House. Although I am grateful to the Hon Member opposite for his concern that I should not be losing my popularity, I do not really think that the popularity of the Government or the popularity of his policies are going to be dented by anything that the Hon Member says that is worrying people or anything he says to make them worry which

is, I think, what it is really all about. I think he is not going to succeed in worrying people, I think the people of Gibraltar having had a bellyful of AACR inactivity for as long as they have had, accept that we are not going to be infallible in the decisions that we take and that not every decision that we take is going to be 100% right, there are occasions when we will make mistakes but accept that if you have got a Government that is dynamic and is taking decisions, that is coming forward with new ideas all the time, then occasionally it will get some of them wrong and at the end of the day they will judge us by how often we got them wrong and whether as a whole, by and large, the majority were right and have proved to be to Gibraltar's benefit. I however feel that Hon Members opposite really show that either they do not know what they are talking about half the time or they do not care whether what they are talking about makes sense or not as long as they feel it is gaining them political popularity. To talk about the importance of creating fifty jobs here, when they know that when they left Government, according to the figures that they produced, there was a situation where there were 7,000 foreigners working in Gibraltar and that the entire population of Gibraltar in employment is 7,000 and there were 14,000 registered insured workers when they left office and that the growth in the importation of labour happened under them because they believe, as they have confirmed here, that the way to run the economy was to have masses of foreign workers here paying taxes and those masses of foreign workers here paying taxes would create a bigger tax base. A policy which I told them, from the opposite side, many times was a mistaken policy (a) because what do you do with your tax base when the workers go and there is a drop in employment, and (b) because it is, in fact, a false economy as I have explained to them already, Mr Speaker, during the debate on the Budget and I thought they had understood the explanation, at least they seemed to be nodding their heads at the time that they did but of course I forgot that for sixteen years, when they were on this side, they used to nod their heads all the time and then say 'no' when the time came to vote. So perhaps they have not lost the habit when they were pushed over there by the people of Gibraltar. I explained to them that as far as we are concerned, we consider an important ingredient of measuring our success economically not by the number of people we employ but by the wealth that we produce per employed worker. I went into this in the Budget in very simple terms so that they could understand it. I said if you have got a situation where you have got £100 of output and 100 workers and your output goes up from £100 to £110 and your workers go up from 100 to 111 you are not 10% better off which is what you would think if you look at the output at all, you are 1% less well off because you have now got 11 more people producing 10% more in total which means each worker is producing less as a result of the increase than they were doing before the increase. Therefore we think an important measure of the economic success, which is not one that we have invented, it is wellknown and well used as the

general measure of efficiency in all economies in the world, is to measure output per employed person. And it is particularly important in Gibraltar's case otherwise you could get nonsensical figures of the efficiency of the economy of, if you have a situation where you say: 'If we are only going to measure the output of the economy by the people who reside in Gibraltar', it means that on that measure, if we are providing big houses and they all reside in Spain, since they do not show up as part of the resident population, it looks as if we are wealthier because there are less people living here and we are still producing £120m a year in GMP. However, if you build houses and they all come back we are all poorer because now the £120m has got to be divided over more people. That is nonsense. You divide the output amongst the producers not amongst the residents. By that measure, which is a measure the Government used to use in the past, if you build lots of flats a lot of people retire to Gibraltar, again, it looks as if we are less well off because per capita income, which were the statistics generally published by the previous administration, would move up and down erratically according to the number of residents in Gibraltar, independent of the number of producers.

HON A J CANEPA:

Mr Speaker, the Chief Minister is not speaking to the motion.

HON CHIEF MINISTER:

Yes, I am explaining to Hon Members opposite, Mr Speaker, who clearly do not seem to understand. They asked for explanations and then they cannot follow them and they do not even know if it has something to do with the motion. Of course, I am explaining to Hon Members the economic logic of putting the factory over there which they cannot understand. What do I do? Do I sit down and not answer him or do I let him draw me out and try and explain the position to him and then the Hon Member stands up and asks you whether it has anything to do with the motion. The logic, Mr Speaker, is therefore that when we are looking at the wealth of Gibraltar, which we are going to be measuring from now on, the measurement that we shall be using is a measurement that gives importance not to more people being employed but to less people being employed in the economy of Gibraltar and to more being produced by each one and as I explained during the Budget debate when I told Hon Members opposite, it is on record in Hansard, that the Government's policy would be to look to an improvement in the utilisation of labour and utilising labour more efficiently means that when you look at the growth over the next year, in looking at a 12% increase we would not expect the workforce to increase by 12%, we would expect that the workforce would increase by less than 12% so that the average output per person employed would be higher. Therefore it is consistent with that policy that we should want to locate in the neighbourhood those

facilities which need not be located here and which will benefit the economy here from lower production costs and which will, in fact, contribute to the increase of our GMP without at the same time increasing our workforce. That is the fundamental logic of the economic analysis behind the strategy and it has nothing to do with joint ventures which is a separate issue altogether because even if the factory is 100% owned by the Danes, the logic of locating it in Spain is still the same. The nature of the ownership has nothing to do with the geographical location. The geographical location is the economic analysis explained to this House by me at Budget time which we are giving effect to and which we also explained during the course of the election campaign when Members opposite were saying that we wanted nothing to do with Spain because we wanted nothing to do with the Brussels Agreement and that it was not possible to have co-operation with Spain outside the Brussels Agreement. The Hon Member may say that Sir Geoffrey Howe has said that I am now in parallel with the Brussels Agreement but they were saying it was not possible to be in parallel with the Brussels Agreement. They were saying you had to be in it.

HON A J CANEPA:

We did not say that, we said alongside.

HON CHIEF MINISTER:

Well, alongside. Then alongside, but I can assure the Hon Member alongside and not converging, and if you have got two things moving alongside and not converging they have to be in parallel.

HON A J CANEPA:

Mr Speaker, if the Hon Member will give way. He may be an expert in economics but I know a little bit about mathematics and two lines can be parallel and they can be miles apart, they can be parallel and be close to each other, alongside means close to.

HON CHIEF MINISTER:

Then I am glad that he accepts that I am not close to the Brussels Agreement and I am grateful for his support on that subject, Mr Speaker, and therefore he is right, we are not, in fact, going along with the Brussels Agreement because we did not agree with it then and we do not agree with it now but we have demonstrated that their analysis was wrong and my colleague has already explained that. It is not that we are saying anything we did not say, it is that we are not doing what they predicted we would do and they keep on telling us that we are doing a U-turn not because we have

changed what we said we would do but because we are not fulfilling their predictions of the future - their prediction of doom, their prediction of confrontation, their prediction of a closed frontier, a hostile Britain, a hostile Spain - all those things that they said we would do, that we had no economic plan, that it was a myth, that why didn't I publish it? Then when I started publishing it they said "it is pie in the sky, it won't work". When we make it work they say "you are doing a U-turn" because it is working. That is the problem that they have and it is a problem, Mr Speaker, which I regret, for their sakes, they will either have to learn to live with or the House of Assembly will learn to have to put up with because it is quite obvious to me that whenever they think they can jump on some bandwagon or other, they are going to make the attempt. They have not put one single coherent reason why it is that they think there is something that we are doing which will hang Gibraltar. In fact, they don't even seem to have reached agreement on their side as to whether they want the factory or not because one Member said he didn't mind the factory being there, in the Spanish area, and another Member said that he did. They are not even in agreement, as a party, on whether they think it is a good thing collectively or a bad thing but they clearly think that anything that we do is a bad thing by definition and I am afraid that on that basis they are never going to be able to persuade us to change our course of action. If and when they demonstrate to us that we are about to make a mistake and that by their bringing that to our notice they can prevent us making a mistake which will damage Gibraltar, we will be grateful for their having acted in the public interest and having prevented us from making such a mistake and we will change course because there is nothing wrong with being warned that you are about to make a mistake and taking that warning into account. Therefore when that happens, I will begin to believe what the Leader of the Opposition says about his worries about me becoming unpopular.

MR SPEAKER:

I will then call on the Mover to reply.

HON P C MONTEGRIFFO:

Mr Speaker, at least in a small respect the motion has been a success by having drawn out the Chief Minister who, clearly, had previously planned not to make any contribution at all. So we must have made sufficient impact or drawn sufficient matters to the House's attention to have justified his honoured intervention. I do not expect to take much time with Mr Feetham's contribution in my reply because I do not think Mr Feetham has said anything of very much consequence relating directly to the motion. I think he failed to address completely what the motion is really saying. He skirted a number of issues, did not address the problem of queues,

nothing about the jobs that were being lost in Gibraltar and I do not think there is very much for me, frankly, to say to Mr Feetham. The Chief Minister has started off by saying that it is clear to him that the only interest we have in this House is to gain votes and we do not care about the welfare of Gibraltar. Well, that type of accusation, I think, is an accusation that no politician in this House should be making against a politician from whatever side. I have often said that it is not a question of just hurting me personally in that it puts one's integrity at stake it is that I do not think, as Gibraltarians, that that type of comment either convinces the people out there, which it is obviously designed to do, because it is not designed to impress us, it does not do any good for Gibraltar and I do not intend to say more but dismiss it in that way, Sir. The whole irrelevance of the polls of popularity of the economic plan as elaborated in the Budget, does not address the real issues we are talking about today. Mr Bossano says that there is economic sense in setting the factory up in Spain. Well, there may or there may not be but what he has not addressed the other implications. What about the political implications? What about the reply he tried to give on the question of queues? That was absurd, Mr Speaker, what I am trying to do, I think, was to facilitate traffic. Some things are black and some things are white and however good somebody is in talking publicly, and the Chief Minister is very good, nobody can turn something upside down completely. Clearly it is also acquiescing to a form of Spanish restriction if we take note of the fact that it takes time to go through the frontier and we say, by the way 'We will do this but we have to have a special gate'. We are agreeing, we are acquiescing to that Spanish restriction. As a matter of principle it is totally objectionable. This is the type of thing we should never even be considering in Gibraltar. Of course there may be economic sense, and I do not accept that, but economic sense is always secondary to matters of principle in Gibraltar. How often have people got up in this House well before my time and said "I am prepared to have that frontier closed again and we go back to tightening our belts because we want to protect our homeland and we want to have matters of fundamental importance, like a normal frontier, respect for Gibraltar as a separate state with certain rights in international law". We want that type of thing respected, we are not just interested in commercial short-term gain. What has happened to that concern? Mr Bossano also makes the point that here we are as an Opposition reacting without all the full facts and that we should know all the full facts before we say anything. Well, first, Mr Speaker, what we reacted to is what he said or, at least, what was reported and if people are misreporting on fundamental matters then they have a duty to come out and say 'By the way, I do not say I want a special channel, I want a normal channel'. We can only find out through the free press which, thank God, we enjoy in Gibraltar and which informs not just us but the people as a whole, but thank God that at least we bring motions because today I have learnt ten times more than I

knew about the factory than I did an hour or two ago and had it not been for this motion, which Hon Members feel is mistimed, we would not have known a lot. The reason we do not have the facts is that this Government, with all its open policy, with all its open Government, still does not tell people what is going on. How did we know about CEPESA-OXY? How are we going to get to know about the Joint Venture Companies that have been set up at GSL? Well, not in this House because the Minister is on record as saying "I am not going to tell people in the House what ventures GSL enters into because that is a matter of commercial judgement".

MR SPEAKER:

With respect, the Minister has not said that. The Minister has said that he is not prepared to give details for the actual management of the company.

HON P C MONTEGRIFFO:

Well, on television in any event, Sir, I think, he went possibly further.

MR SPEAKER:

You said this as a matter of reply and I have got the right to put it right.

HON P C MONTEGRIFFO:

Sir, I am grateful for that but I think it is clear in the public's perception that the Government stand on the type of information it will give on the GSL companies is very limited and Mr Feetham said as much on television. There has been no addressing of the problem of the several hundred jobs that will be lost in Gibraltar when the PSA withdraws and the Military Garrison is reduced. This is not a question of using the same labour Gibraltar has, there may be unemployment in Gibraltar as a result of these job losses. Has the Government dealt at all with that aspect of the matter? Not at all. What we have had, Sir, is essentially a very defensive reply from the Government. I think that to a large extent, my feeling as I wind up tonight, is one of worry because I think what we are saying is well understood in Gibraltar and I am convinced that the Members opposite sympathise with the sentiment because we are all pulling, in that respect, in the same direction, we all want to make sure Gibraltar's rights as a State are respected. They certainly are not able to see their way to understanding that there are political dangers in seeking special arrangements for this factory other than on normal terms. It is clear that the Government is not going to be persuaded and I simply hope that the motion has served to bring to the public's attention the concern

felt by us in the direction, we feel, Gibraltar is moving into and although the motion may be defeated this afternoon, I implore on the Government to seriously consider not going ahead with that factory unless the matters that I have raised in the motion are first addressed. Thank you, Mr Speaker.

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

The Hon K B Anthony
 The Hon Lt-Col E M Britto
 The Hon A J Canepa
 The Hon M K Featherstone
 The Hon G Mascarenhas
 The Hon P C Montegriffo
 The Hon Dr R G Valarino

The following Hon Members voted against:

The Hon J L Baldachino
 The Hon J Bossano
 The Hon M A Feetham
 The Hon Miss M I Montegriffo
 The Hon R Mor
 The Hon J L Moss
 The Hon J C Perez
 The Hon J E Pilcher
 The Hon E Thistlethwaite
 The Hon B Traynor

The motion was accordingly defeated.

RESIGNATION OF MR SPEAKER

MR SPEAKER:

Gentlemen, as you must all be aware, I wrote to His Excellency the Governor on Monday 30th January, 1989, resigning as Speaker of this House effective from such time as I adjourn this present sitting. We are soon coming to the moment when this is to happen and I would like to say a few words to you all. When I first took my Oath of Allegiance and sat on this very chair I did so with some apprehension and a strange mixture of pride excitement and challenge. Today, nearly twenty years after, I bid my farewell to you all with a mixed feeling of satisfaction and sadness. Satisfaction because I have been allowed to serve my community and this House for so long during such an important period of Gibraltar's history and to have been able to contribute to the evolution of Gibraltar's legislative process. Sadness because I now end what for me has been a way of life for so long. However, I felt that it was time for me to call it a day and to dedicate the rest of my active life to my chosen profession, my other interests and, more particularly,

to my family, particularly so when I have got grandchildren now. To those who will in the future hold this office, I would like to say that the most important factor to remember is that the Speaker is the servant of the House, not its master and that the authority which the House vests on him is its own authority which he exercises in accordance with the interests and the wishes of the House. That the Speaker has a particular duty to protect the rights of minorities but in the exercise of his impartiality, he must not lose sight of the rights of the majority and that he is not expected to impose the rules rigidly on every occasion and much depends on the circumstances of the moment and the mood of the House. To you Chief Minister, to you Leader of the Opposition and to you all Members from Maurice Featherstone the father of the House and the only Member who has served through the whole of my Speakership, to you Joe Moss the youngest Member now serving, I bid my farewells and thank each and every one of you as, indeed, I thank all past Members for the great help, assistance and cooperation you have at all times given me and without which I could not have carried out my responsibilities. My deepest appreciation to all members of my staff who have at all times served me with such dedication, enthusiasm and loyalty. A special thanks must most certainly go to you, John Sanchez, who has also been with me since my very first day as Speaker. My sadness also lies in that Paul Garbarino, with whom I worked so closely for seventeen years, is not today with us. My greatest thanks and fondest memories must go to him. In conclusion, Chief Minister, Leader of the Opposition, Members, may I wish our House and you all every success and prosperity. As Members of our Legislature always remember that whatever the political differences, whatever the strength of your convictions, the dignity of the House must be paramount and must always be allowed to prevail. So goodbye to you all and thank you again for all your cooperation.

HON CHIEF MINISTER:

Mr Speaker, you always have been careful in issuing your rebuke in this House. I must say this is the first time that I have been here since 1972 when you have not tried to clear the Gallery. I think, Mr Speaker, that it is difficult to find words to describe the kind of relationship that has been built in this House between the Members that have known you for a very long time and yourself and I think it is a relationship which you have been able to produce by the way that you have always acted in accordance with what you believed to be the correct rulings. Even when those rulings were unpalatable from an Opposition point of view, and I have experienced that for sixteen years. I do not think there was ever an occasion when it crossed my mind that you were doing anything other than deciding that the matter had got to a stage where no further progress was going to be achievable by continuing with the debate. I think it is an important part of the role of the Speaker to contain the work of the House within the boundaries of reasonableness

in that as long as new arguments are being put forward which can further the analysis of whatever is being debated, that is fair enough, but that when all that is happening is that the same arguments are being repeated ad infinitum then clearly nothing useful is being done and moreso from the point of view of enlightening the public. I believe that this is particularly important now that the meetings of the House are broadcast and I must say, I think you will agree, that the fears that were being expressed at one time that the broadcasting of the House would lead to an unnecessary lengthy increase in the speeches has, in fact, not happened. It did not happen before and I do not think it is happening now. I think Members are performing on the basis of what they think requires to be said irrespective of the fact that they have got a wider audience listening to them. I think it will be difficult, Mr Speaker, to forget the period of years that you spent in this House and the way, in a way, you have changed the behaviour of those Members that have worked with you so long, particularly I think the Leader of the Opposition and myself, both of whom joined the House in 1972 and have had a situation where your own interpretation of procedure in the House has tended to shape both our own pattern of work and it is clear that it is continuing now that the roles have been reversed. It is also, I think, an important element in the work we do together as a Parliament that in acting within the Branch of the CPA you have always related our Parliamentary relationship with other members, and particularly with members within our own Region, on the basis that it is the work of the Parliament of Gibraltar that needs to be reflected and not, in fact, the work of the Government or the disagreement of the Opposition with the way the Government is doing its work. I am sure that those values and that leadership that you have given the House for so many years will continue into the future with your successor.

HON A J CANEPA:

Mr Speaker, although it is a sad day for all of us in having to bid you farewell, I think it is also a great day in many respects. It is a great day because we have seen evidence here this afternoon, not least from the Public Gallery whom I have never in all my years in the House heard clapping so enthusiastically and, naturally, allowed by the Speaker to do so, how could you do otherwise, but it was so genuine and so warm and I think, Mr Speaker, it is evidence of the high regard and the esteem in which you are held by all in Gibraltar. All of us in the Opposition wish to associate ourselves with the words of the Chief Minister, we do not often have an opportunity to do so, in a few minutes we will be disagreeing with him and therefore when we do agree we do so wholeheartedly. After Maurice Featherstone both the Chief Minister and myself, as he has remarked, are the Members who have served longest in the House during the many years you have been Speaker. We have been on both sides of the House and I can say therefore with some measure of authority,

that throughout you have been equally fair and totally impartial as far as successive Governments and Oppositions are concerned. I would like to think that we are today speaking not just for those who are here but on behalf, as well, of those others who have served the House during the last two decades and who I know share the high regard that we have for you and admire the manner in which you have performed your duties and in which you have enhanced the office and the functions of the Speaker. You have set such a high standard that your successors, and I speak in plural, will find it very difficult to emulate that standard. At any rate, they have an ideal to aim for and your advice to them which goes into the record today will also serve as valuable guidance over the years well into the future. In thanking you, Sir, and in wishing you a long and happy retirement, I would like to say a word about Lady Vasquez. In the first place, we are glad to see that she is now enjoying good health and I would like to add that the public - and this is why I want to say a word about Lady Vasquez - I think, the public in Gibraltar, Sir, just does not realise the burden that the wives of public figures, such as yourself, have to bear in support, the constant whirl of public and social duties is not always fun as many appear to think but, in fact, it involves considerable sacrifices for both and, very particularly because, after all, we choose to be here, but very particularly for the wife. In this respect, Sir, I am sure all Members will agree that Lady Vasquez has won also our affection by the way that she has been by your side and by the support that she has given you. I am sure that your task would have been so much more difficult otherwise. To you both, therefore, Mr Speaker, go our gratitude and our best wishes for the future.

MR SPEAKER:

Thank you all very much indeed.

ANNOUNCEMENT OF NEXT SPEAKER

HON ATTORNEY-GENERAL:

Mr Speaker, by and instrument under his hand dated the 2nd February, 1989, His Excellency the Governor has appointed Robert John Peliza OBE, Speaker of the Gibraltar House of Assembly.

HON A J CANEPA:

Mr Speaker, a week ago this House debated my motion on the appointment of the Speaker and, as I expected, there has been very little regard for what we in the Opposition had to say on the matter. The appointment of Major Peliza, as Speaker, is now being proceeded with and in the circumstances I really regret that there is really no point in our being here for what we regard as a farce of the motion from the Government confirming his appointment.

SUSPENSION OF STANDING ORDERS

HON CHIEF MINISTER:

Mr Speaker, I am going to move under Standing Order 60 in order to suspend Standing Order 19(1) to enable me to move the motion for the appointment of the new Speaker without having given the required notice and if the House so agrees, which I am sure that it will, we proceed with that and I think if there are few other things that I can stick into the same Standing Order we might as well get on with the job of a whole spate of Government legislation in the next ten minutes.

Mr Speaker then put the question which was resolved in the affirmative and Standing Order 19(1) was accordingly suspended.

The following Hon Members were absent from the Chamber:

The Hon K B Anthony
 The Hon Lt-Col E M Britto
 The Hon A J Canepa
 The Hon M K Featherstone
 The Hon G Mascarenhas
 The Hon P C Montegriffo
 The Hon Dr R G Valarino

APPOINTMENT OF NEW SPEAKER

HON CHIEF MINISTER:

Mr Speaker, I beg to move: "That the appointment of Major Robert John Peliza OBE, as Speaker of the House of Assembly be confirmed". I do not propose to speak to the motion, Mr Speaker.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly passed.

The following Hon Members were absent from the Chamber:

The Hon K B Anthony
 The Hon Lt-Col E M Britto
 The Hon A J Canepa
 The Hon M K Featherstone
 The Hon G Mascarenhas
 The Hon P C Montegriffo
 The Hon Dr R G Valarino

MR SPEAKER:

May I congratulate my successor on his appointment and I wish him every success and as I have already informed him, I will most certainly be, at all times, more than willing to be of help to him and available to him should he need my services.

ADJOURNMENT

HON CHIEF MINISTER:

I beg to move that the House do now adjourn until Wednesday the 22nd February, 1989.

Mr Speaker put the question which was resolved in the affirmative and the House adjourned to Wednesday the 22nd February, 1989.

The adjournment of the House to Wednesday the 22nd February, 1989, at 10.30am was taken at 5.30pm on Thursday the 2nd February, 1989.

WEDNESDAY THE 22ND FEBRUARY, 1989

The House resumed at 10.40 am.

PRESENT:

Mr Speaker(In the Chair)
(The Hon Major R J Peliza OBE, ED)

GOVERNMENT:

The Hon J Bossano - Chief Minister
The Hon J E Pilcher - Minister for GSL and Tourism
The Hon J L Baldachino - Minister for Housing
The Hon M A Feetham - Minister for Trade and Industry
The Hon J C Perez - Minister for Government Services
The Hon Miss M I Montegriffo - Minister for Medical Services
and Sport
The Hon R Mor - Minister for Labour and Social Security
The Hon J L Moss - Minister for Education, Culture and Youth
Affairs
The Hon E Thistlethwaite QC - Attorney-General
The Hon B Traynor - Financial and Development Secretary

OPPOSITION:

The Hon A J Canepa - Leader of the Opposition
The Hon P C Montegriffo
The Hon M K Featherstone OBE
The Hon Dr R G Valarino
The Hon G Mascarenhas
The Hon Lt-Col E M Britto OBE, ED
The Hon K B Anthony

IN ATTENDANCE:

C M Coom Esq - Clerk of the House of Assembly

PRAYER

Mr Speaker recited the prayer.

OATH OF ALLEGIANCE OF MR SPEAKER

Mr Speaker took the Oath of Allegiance.

ADDRESS BY MR SPEAKER

MR SPEAKER:

Hon Members, this occasion makes the day most memorable in my life and I can think of no greater honour than being the Speaker of this august House of Assembly. Especially so, because I have been entrusted by the democratic choice with the authority to preside over your deliberations. At the same time, as I see it, the Speaker is the custodian of what the House of Assembly means to the people; the bastion of democracy in our community and the fortress of their sovereignty. When the Chief Minister asked to propose me for this high office he said: "Bob I would like to propose you as Speaker because I know you will not be the Speaker of the GSLP or the Speaker of the AACR, I know you will be the Speaker of the House of Assembly". In this spirit I accepted the appointment knowing that neither the Chief Minister, nor the Leader of the Opposition, nor indeed any other Hon Member and, least of all myself, would want the affairs of this House to be conducted other than with scrupulous impartiality. I am not a new tenant for the first time in this House and I am quite familiar with the Mayor's Chair I am sitting on since in deference to the abolished City Council, to which I was elected in 1945, I brought it to this Chamber in 1969 to ensure it continued to give active service in the constitutional development towards the final aim of all the elected Members of this House and the vast majority of the Gibraltarians, that is to say, self-determination. Having served as Chief Minister, Leader of the Opposition and as an ordinary Member in the Opposition benches, I know very well the frustration felt when unduly restrained by the rules of procedure. Thus, I will do my best to use my good influence to reduce it to a minimum so that red tape, as it were, does not unwarrantably interfere with the freedom of expression of Members. Since I was not expected to be present in the House when Sir Alfred Vasquez retired, I was unable on that occasion to join all Hon Members, at the time, in paying tribute to his magnificent contribution towards the enhancement of this House of Assembly during his twenty years of service and although I hastened at the time to write him my words of appreciation and praise, I would now like it recorded in this House that I fully associate myself with the very merited exaltations expressed at the time by Hon Members on both sides of the House. May I end by saying that I will do my best so that Hon Members and the people of Gibraltar do not find me wanting.

HON CHIEF MINISTER:

Mr Speaker, the House has taken a decision on this matter and it is my wish and the wish of the Government that we should now really concentrate on getting on with the job and therefore I do not want to raise any further controversies about the decision. The Government has got no doubt at all in its mind that you will conduct the office that you hold with the same commitment and integrity as you have conducted

every other single thing that you have taken on in your life, for as long as I have known you. I am sure that any worries that others might have about whether the job that is done by you will in any way inhibit the function of the House will soon be dispelled. At a personal level, let me say, how happy I am to have you once more in the House of Assembly and doing once more a useful job for Gibraltar which I know is the thing that you cherish most.

SUSPENSION OF STANDING ORDERS

HON J E PILCHER:

Mr Speaker, I wish to move the suspension of Standing Order 7(3) to enable me to lay on the table the Tourist Survey Report, 1987.

Mr Speaker put the question which was resolved in the affirmative and Standing Order 7(3) was accordingly suspended.

DOCUMENTS LAID

The Hon the Minister for GSL and Tourism laid on the table the following document:

The Tourist Survey Report, 1987.

Ordered to lie.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause: The Development Aid (Amendment) Bill, 1988; the Businesses Trades and Professions (Registration) Bill, 1989; the Medical (Gibraltar Health Authority) (Amendment) Bill, 1989; the Public Finance (Control and Audit) (Amendment) Bill, 1988; the Supplementary Appropriation (1986/87) Bill, 1989; the Supplementary Appropriation (1988/89) Bill, 1989; and the Imports and Exports (Amendment) Bill, 1989.

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

THE DEVELOPMENT AID (AMENDMENT) BILL, 1988

Clause 1

HON ATTORNEY-GENERAL:

Mr Chairman, could I seek leave to amend the date to read "1989" rather than "1988" in clause 1.

Mr Speaker put the question which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

Clause 2

HON P C MONTEGRIFFO:

Mr Chairman, as in the case when the First and Second Readings of this Bill were taken, we will be abstaining on this Clause.

On a vote being taken on Clause 2 the following Hon Members voted in favour:

The Hon J L Baldachino
The Hon J Bossano
The Hon M A Feetham
The Hon Miss M I Montegriffo
The Hon R Mor
The Hon J L Moss
The Hon J C Perez
The Hon J E Pilcher
The Hon E Thistlethwaite
The Hon B Traynor

The following Hon Members abstained:

The Hon K B Anthony
The Hon Lt-Col E M Britto
The Hon A J Canepa
The Hon M K Featherstone
The Hon G Mascarenhas
The Hon P C Montegriffo
The Hon Dr R G Valarino

Clause 2 stood part of the Bill.

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

THE BUSINESSES TRADES AND PROFESSIONS (REGISTRATION) BILL, 1989

Clauses 1 and 2 were agreed to and stood part of the Bill.

Clause 3

HON P C MONTEGRIFFO:

Mr Chairman, again, as in the case of the First and Second Readings, we have no objection to any steps being taken to curb the black economy and to control such illicit and illegal activities but we have carefully considered the provisions

of this Bill and have come to the conclusion that the anxiety we expressed regarding the fact that we feel it to be unworkable and unenforceable, are so overriding as to make this a bad piece of legislation. It also raises other matters like whether in fact from a Constitutional point of view people should have to register, but really, at the end of the day, this is less important than the practicality of the fact that this Bill, we feel, will be unworkable. It is going to give rise to a lot of difficulty and although there is provision for exemption, we have no idea, at this stage, what categories are going to be exempted. We therefore propose, Sir, to abstain on the Bill. As I say, we made our view on the black economy quite clear but we think this is a bad piece of legislation and a bad way of dealing with the problem.

HON M A FEETHAM:

Mr Chairman, just to remind the House. The purpose of the Bill was initiated because of representations made to the Government by small businesses and traders who felt that they were being unfairly competed against and we have wanted to do something which was compatible with European Community Law. The whole purpose of this is to protect small businesses.

On a vote being taken on Clause 3 the following Hon Members voted in favour:

The Hon J L Baldachino
 The Hon J Bossano
 The Hon M A Feetham
 The Hon Miss M I Montegriffo
 The Hon R Mor
 The Hon J L Moss
 The Hon J C Perez
 The Hon J E Pilcher
 The Hon E Thistlethwaite
 The Hon B Traynor

The following Hon Members abstained:

The Hon K B Anthony
 The Hon Lt-Col E M Britto
 The Hon A J Canepa
 The Hon M K Featherstone
 The Hon G Mascarenhas
 The Hon P C Montegriffo
 The Hon Dr R G Valarino

Clause 3 stood part of the Bill.

Clauses 4 to 7 were agreed to and stood part of the Bill.

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

THE MEDICAL (GIBRALTAR HEALTH AUTHORITY) (AMENDMENT) BILL,
 1989

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

Clause 2

HON M K FEATHERSTONE:

Mr Chairman, I beg to move an amendment to Clause 2. At the end of Clause 2(5) the words "by resolution of the House of Assembly" should be added. We feel that in a matter of such importance as the raising of funds by bonds or debentures, this should have the blessing of the House of Assembly and that the Health Authority should not be able to just go it alone and I therefore propose this amendment.

Mr Speaker proposed the question in the terms of the Hon M K Featherstone's amendment.

HON CHIEF MINISTER:

Mr Chairman, as I already explained in the First and Second Readings of the Bill, this is not acceptable to the Government. Let me say just in passing, since this is, I think, the instance that we have, that the Hon Member opposite will no doubt recall what the Government said during the last sixteen years that whenever an amendment was produced instantaneously across the floor of the House, that the Government could not give serious consideration to amendments unless they were given prior notice of it. In this particular occasion let me say that the reasons why we cannot accept that it should be "by resolution of the House" is the reasons that were given previously in relation to what we are seeking to do here. What we are doing is giving an extension to the Health Authority to enable it to borrow beyond the borrowing powers which the Health Authority already has under the Bill which the Hon Member brought to the House himself. If he feels so strongly why did he bring a Bill to the House giving the Health Authority the power to raise money by overdrafts and why did he not suggest, in the initial Bill, that it should be by resolution of the House? He never did when he was in Government, Mr Chairman, why is he asking us to do so now? Mr Chairman, the situation is that if we are going to have a resolution of the House in order to raise money by the Health Authority, then we might as well not have the Health Authority having the power to raise money at all. The Government has already got the power to raise money, the Government has got a borrowing ceiling of £50m and what we are trying to do is that, in moving towards a Health Authority that is more autonomous and self-sufficient and which was the whole purpose of the creation of the Health Authority which the Hon Member opposite initiated and this is part of the process started by him, we want the Health Authority, in fact, to start looking as from this year, at

financing itself its capital investment and therefore having on its recurrent expenditure the cost of servicing that investment. We think that that is better than the system we have at present although probably given the timescale that we are working to at the moment, it may not be possible to reflect such a change for the 1989/90 financial year. At this stage when we are looking at the Estimates we may well have to be financing the capital spending of the Authority this year from the Improvement and Development Fund. But it is our view that that is better than by the Authority and, frankly, having a resolution of the House of Assembly every time the Health Authority wants to borrow money does not seem to do anything to improve the situation for the Health Authority or for anybody else. Nobody is going to be forced to lend to the Health Authority if they do not want to, the offer will be open for public subscription and if people want to invest in those debentures they will and if they do not they will not.

HON M K FEATHERSTONE:

Sir, it appears that there is a fundamental difference of opinion between the Hon Chief Minister and ourselves. The whole question of the Health Authority being able to borrow by way of overdraft was on a temporary basis to fulfil their commitments and obligations on a day-to-day basis in the running of the Health Authority. The need of an overdraft could be simply to ameliorate cash flow problems and they would normally only be given by the banks, etc on a short-term basis unless there was sufficient collateral to make it on a long-term basis. However, the question of raising bonds or debentures is a long-term process, a process in which the whole basis of the borrowing is completely different to that of raising by way of an overdraft. We have no objection to the Health Authority running up a small overdraft as is necessary for them to do in their day-to-day working but we do feel that the House of Assembly should have the authority to say whether they can raise debentures to the tune of, say, £5m or £10m. This is something which is of considerable import and we do wish that it would be accepted. If it cannot be accepted, Sir, then we will have to abstain on the Bill.

HON A J CANEPA:

Sir, on the point that the Chief Minister made about giving notice of amendments, it is our intention that whenever a substantial amendment is moved to a Bill we will give the Government sufficient notice of that amendment in order that they are able to study the implications of it. In this case this is a very simple straightforward amendment, reference to which was made during the Second Reading of the Bill, we brought the matter up during the Second Reading of the Bill and it is only because there has been no response from the Government to the points that we made during the Second

Reading of the Bill that we have moved the amendment ourselves. I do not think the amendment has got any legal implications that require prior thought by the Government and that is why there was no need to give prior notice of this amendment. But as a general rule, if ever we do move substantial amendments to legislation, we would want to give the Government and particularly the Attorney-General, an opportunity to study those implications.

HON CHIEF MINISTER:

I am grateful for that, Mr Chairman. I think that that will make it easier for the Government to take account of the views of the Opposition and, if it is possible to accommodate them, then the Government is quite happy to do that. Anything that improves the legislation and does not defeat the object of the exercise we will look at.

MR SPEAKER:

Does any other Member wish to speak on the amendment?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I was, of course, involved with the preparation of the main legislation on the Health Authority Bill which was introduced into the House some twelve months ago and I was concerned then at the possibility of the Gibraltar Health Authority, an organisation which will still be in receipt of public funds by way of a Government subvention or, I might say, taxpayers money by one means or another, and therefore some of the provisions in the main Bill, sections 13 to 15, from memory, were devised on my advice. I have therefore some reservations myself about the proposal that the Health Authority should be allowed to borrow. I think there is a fundamental principle of public finance here, to borrow without any form of central Government scrutiny. However, I have expressed my reservations to the Chief Minister on this and I do not think it would be proper for me to elaborate further at this stage.

Mr Speaker then put the question and on a vote being taken on Clause 2 the following Hon Members voted in favour:

The Hon K B Anthony
 The Hon Lt-Col E M Britto
 The Hon A J Canepa
 The Hon M K Featherstone
 The Hon G Mascarenhas
 The Hon P C Montegriffo
 The Hon Dr R G Valarino

The following Hon Members voted against:

The Hon J L Baldachino
 The Hon J Bossano
 The Hon M A Feetham
 The Hon Miss M I Montegriffo
 The Hon R Mor
 The Hon J L Moss
 The Hon J C Perez
 The Hon J E Pilcher
 The Hon E Thistlethwaite
 The Hon B Traynor

The amendment was accordingly defeated and Clause 2 stood part of the Bill.

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

THE PUBLIC FINANCE (CONTROL AND AUDIT) (AMENDMENT) BILL,
 1989

Clause 1

HON ATTORNEY-GENERAL:

Mr Chairman, I beg to move that the figures "1988" in Clause 1 of the Bill be deleted and substituted by the figures "1989".

Mr Speaker put the question which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

Clause 2 was agreed to and stood part of the Bill.

New Clauses 3 and 4

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, immediately after Clause 2, I would like to move the insertion of new Clauses 3 and 4. Hon Members have, I think, been given copies of this. I am quite happy to read it out, Mr Chairman, if you so wish.

MR SPEAKER:

There is no need.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The purpose of the proposed new Clause 3, Mr Chairman, is that without the further amendment of the Public Finance (Control and Audit) Ordinance as represented by the words in brackets "(not being a fund constituted under a written

law)", the purpose of the main amendment which is in the draft Bill would be modified or defeated inasmuch as only a number of special funds excluding those funds which have been established by written law would be covered by the amendment. It is purely a technical matter, Mr Chairman, it means that no special fund such as GSL, for example, which has been established by an Ordinance and other funds, would fall within the ambit of this particular Ordinance. That is the purpose of that particular Clause 3 in the further amendment I have circulated. The proposed Clause 4 which refers to section 6 of the Public Finance (Control and Audit) Ordinance is, again, a technical matter. Indeed, I am moving this amendment on the advice of my Learned Friend the Attorney-General. The sums payable by the Government as an employer are, of course, normally speaking, a charge on the Consolidated Fund. That is to say, they do not have to be appropriated in the House but it was felt that it was better for us to say so explicitly in the terms of this amendment rather than leave it as a presumption which might subsequently be tested by law. That applies, of course, to any sums payable by the Government as an employer, whether it is social security contributions or, indeed, in respect of the transfer value of the pension rights of former public officers. Obviously the pension rights of former public officers are a charge on the Consolidated Fund at present, hence it is logical for the transfer value of any officer who is moving from Government service to, shall we say, a Joint Venture Company to be so covered.

Mr Speaker put the question which was resolved in the affirmative and new Clauses 3 and 4 were agreed to and stood part of the Bill.

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

THE SUPPLEMENTARY APPROPRIATION (1986/87) BILL, 1989

Clauses 1 and 2 were agreed to and stood part of the Bill.

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

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

THE SUPPLEMENTARY APPROPRIATION (1988/89) BILL, 1989

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

Schedule

HON A J CANEPA:

On the Schedule, Part II, Sir, Improvement and Development Fund, the Government is seeking to appropriate a further £1m for land reclamation. Could we have an indication from the Government of how much of the £1m, that has already been voted, has been spent and having regard to the fact that we are now near the end of February and that there is only one month to go of the current financial year, do they really think that another £1m is required for land reclamation? Is the money going to be spent before the end of March?

HON M A FEETHAM:

Mr Chairman, the £1m previously allocated has already been spent and this extra £1m will be spent by the end of the financial year.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I have an amendment to suggest to Part I of the Schedule. I beg to move that Part I of the Schedule be amended by deleting the figures "£16,100" where they appear against Head 25 - Treasury, and also the figures "£47,900" where they appear as the total and to substitute therefor the figures "£24,700" and "£56,500" respectively. I will explain that, Mr Chairman, if I may. As Hon Members are no doubt aware the Government recently made a donation to the Mental Welfare Society to assist them in purchasing a bus for the use of their patients. Because it was not clear just when the bus would be bought, funds have not been appropriated earlier and the donation was therefore initially met from funds still unspent in the vote but which were nevertheless earmarked for something else. It is accordingly proposed that the funds should be appropriated at this meeting of the House.

Mr Speaker proposed the question in the terms of the amendments moved by the Hon the Financial and Development Secretary.

HON A J CANEPA:

I think it is a case, Mr Chairman, of actually entering into the Schedule a new item, Item 51 - Grants-in-aid. That is the way that it appears in the details that I have been given.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, but not in the actual Bill, Mr Chairman. In the Schedule, of course, one would enter a new item, I quite agree with the Hon Leader of the Opposition, it would be Grants-in-aid, subhead 51 and the approved estimate would be £23,100 and now required £8,600 if my arithmetic is correct, which will subscribe to the amount in the Bill. But it does require an amendment to the Schedule and to Clause 1.

Mr Speaker then put the question which was resolved in the affirmative and the Schedule, as amended, was agreed to and stood part of the Bill.

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

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

THE IMPORTS AND EXPORTS (AMENDMENT) BILL, 1989

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

Clause 2

HON ATTORNEY-GENERAL:

Mr Chairman, in Clause 2 to move one short amendment in the new subsection (1), to read "The Financial and Development Secretary may 'by' order" and not "be order". It is obviously a printing error.

Mr Speaker put the question which was resolved in the affirmative and Clause 2, as amended, was agreed to and stood part of the Bill.

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

THIRD READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Development Aid (Amendment) Bill, 1989, with amendments; the Businesses Trades and Professions (Registration) Bill, 1989; the Medical (Gibraltar Health Authority) (Amendment) Bill, 1989; the Public Finance (Control and Audit) (Amendment) Bill, 1989, with amendments; the Supplementary Appropriation (1986/87) Bill, 1989; the Supplementary Appropriation (1988/89) Bill, 1989, with amendments; and the Imports and Exports (Amendment) Bill, 1989, with amendments, have been considered in Committee and agreed to and I now move that they be read a third time and passed.

Mr Speaker then put the question and on a vote being taken on the Public Finance (Control and Audit) (Amendment) Bill, 1989; the Supplementary Appropriation (1986/87) Bill, 1989; the Supplementary Appropriation (1988/89) Bill, 1989; and the Imports and Exports (Amendment) Bill, 1989, the question was resolved in the affirmative.

On a vote being taken on the Development Aid (Amendment) Bill, 1989; the Businesses Trades and Professions (Registration) Bill, 1989; and the Medical (Gibraltar Health Authority) (Amendment) Bill, 1989, the following Hon Members voted in favour:

The Hon J L Baldachino
 The Hon J Bossano
 The Hon M A Feetham
 The Hon Miss M I Montegriffo
 The Hon R Mor
 The Hon J L Moss
 The Hon J C Perez
 The Hon J E Pilcher
 The Hon E Thistlethwaite
 The Hon B Traynor

The following Hon Members abstained:

The Hon K B Anthony
 The Hon Lt-Col E M Britto
 The Hon A J Canepa
 The Hon M K Featherstone
 The Hon G Mascarenhas
 The Hon P C Montegriffo
 The Hon Dr R G Valarino

The Bills were read a third time and passed.

PRIVATE MEMBERS' MOTIONS

HON A J CANEPA:

Sir, I have the honour to move in the terms of the motion standing in my name, that:

"This House:

- (1) deeply regrets the decision of Her Majesty's Government to reduce the presence of military and civilian personnel in Gibraltar, including those in the employment of the PSA/DOE;
- (2) urges that in the consultations that are to follow between the British Government and the Gibraltar Government a compensatory package of economic assistance should be agreed upon; and

- (3) urges that any lands and buildings that may be released should be transferred to the Gibraltar Government at no cost".

Sir, during the course of the last seven years, which is a relatively short period of time in the present decade, the eighties, Gibraltar and its people have been thrust into the forefront of important and critical military and/or terrorist activity on three dramatic occasions. In the first place in 1982, during the Falklands conflict and on that occasion we saw how the people of Gibraltar rallied to Britain's course and we recall how the Dockyard workers, in spite of the fact that the previous November the closure of the Dockyard had been announced, how they rallied and how they worked round the clock to convert the Uganda into a hospital ship. We also recall how Gibraltar was used effectively as a giant replenishment ship cum aircraft carrier. At North Front we saw Hercules transport aircraft landing round the clock arriving from the United Kingdom on their way to replenish the advanced base at Ascension Island. In fact, one wonders whether that base at Ascension Island could have effectively been replenished efficiently if Gibraltar had not been the stop-over point for aircraft leaving the United Kingdom. We also remember how the advance unit of the Royal Naval Task Force, in fact, left Gibraltar on their way down to the South Atlantic, as they had been engaged in the vicinity during March, 1982, on a Spring Train Naval Exercise. We took great pride in being part of the British team which was and is our team and we lived and shared the successes of the fleet in the South Atlantic and grieved over the loss of HMS Coventry, HMS Sheffield and the other naval units which were lost during that action. We in Gibraltar were part of the fact that we were the great arsenal of freedom, of democracy and of the struggle to affirm the rights of peoples even smaller than ourselves to live under the flag of their choice. We rejoiced at the victory and at the return of our ships, particularly those that were limping back home and which required temporary repairs in Gibraltar, such as HMS Plymouth. We also remember how we learned after the conflict that there had been an interception by Spanish Security Forces of an Argentinian Special Unit which was intending to strike at Gibraltar, so Gibraltar could well have been the target of retaliation on the part of the Argentinians. Four years later in 1986, we recall the bombing of Libya by United States aircraft with the acquiescence of the British Government and flying from the United Kingdom over Gibraltar into the Mediterranean on their way to bomb installations in Libya and I recall, Sir, how amused many of us were by Spanish assertions of the fact that those aircraft were overflying British airspace. There was no doubt on that occasion that it was British airspace that was being flown over and not Spanish airspace. I do not think the Spaniards have ever been so affirmative in their recognition of British sovereignty over the Rock and over its airspace and, on that occasion, if it had entered into the mind of Colonel Gaddafi to strike back at a British target, we were the nearest British territory to Libya.

We were caught in the forefront of this conflict and we were also prepared to take it, if we had to, again in defence of the Western Allegiance. Then a couple of years later, in March last year, Gibraltar was brought face to face with the reality of terrorist activity, IRA terrorist activity aimed at Britain but which would have hit Gibraltar directly and the irony of it all, Sir, is that that attack by the IRA was aimed at the Resident Battalion which will shortly be leaving Gibraltar and therefore we could say that if it is terrorist activity aimed at the Battalion or the successors of that Battalion, the Battalion that has now replaced the Royal Anglians, who were the target of that attack and it is their successors which are the subject of the withdrawal and the reduction in troops which is contemplated as a result of the announcement made at the end of January. Again, as on previous occasions, there was not so much as a bleat of complaint from the people of Gibraltar at the fact that Gibraltar and the Gibraltarians were being and had been dragged into a conflict that was not of our making. We have consistently shown our solidarity with Britain shoulder to shoulder and that has been our response to that particular incident and it has been a response that has come from our menfolk, from our womenfolk and from our children. That is the way that it can be summed up, shoulder to shoulder with Britain. Now less than a year later, on the 29th January, very unexpectedly for all, other than apparently for Hon Gentlemen opposite who we subsequently learned were in the know, we heard on a Sunday morning over the World Service of the BBC that the Resident Battalion was to be removed together naturally with the families of those involved. We were actually, Sir, supposed to learn about that on the Monday from a written answer to a Parliamentary Question which had been previously planted in the House of Commons just as they did, in fact, with the closure of the Dockyard. That is the way that the British Government imparts such information, by getting a backbench Member of Parliament to plant a question and then it is answered by a written answer to that Parliamentary Question. That is the manner in which such news, which can have a very considerable effect at the receiving end, as was with the closure of the Dockyard, and now with the planned military reductions. But as we all know there was a leakage in the press and in the media and they beat Parliament to it, they beat Parliament to a release that was also intended and planned to coincide with the visit of the Secretary of State, Sir Geoffrey Howe, to Gibraltar. And whilst I cannot help saying that the failure of the Gibraltar Government to inform our people is regrettable, I think that what is even more regrettable has been their low key reaction to this announcement. They are deliberately playing the whole thing down and pretending that it does not really matter because if Britain says that it is OK, if Britain says that Spain will not attack Gibraltar, then there is nothing really to worry about. Well, Sir, here we have an instance where the Chief Minister is straining to swallow the biblical camel because that is what the removal of a Battalion amounts to, compared to the removal of one sentry which I would describe as

a gnat, and he strained at swallowing that and let him not come back to me saying anything about what I would consider to be that rubbish of symbolism to explain the difference. Now coming hand in hand with news of the withdrawal of the Battalion has been the news of the likely loss of up to 600 jobs in the PSA/DOE, as a result of the closure or of the restructuring of PSA/DOE. Sir, no authoritative figure has been given about the adverse impact to the economy that these two measures which taken together, is likely to have. I would, however, say that between the military cuts and the restructuring or closure of PSA/DOE, the loss of jobs is likely to be hardly less than 800. The negative impact on the economy is therefore likely to be greater than that of the Dockyard closure because whilst the number of jobs lost is roughly the same, of the same order, in the case of the Dockyard closure many of these were being replaced or most made up by the jobs being created in the commercial yard. We also now have to take into account the loss of expenditure by the Battalion and their families in the shops, in restaurants, to the taxi trade, all this taken together is more than in the case of the Dockyard. The Government may be in a position to give us some information about the adverse impact to the economy, given the recent new model of the economy which is now being put together and which may have been completed by now for all I know, and which was commissioned when we were in office. I would like to ask the Chief Minister whether he does have any information about what the likely effect is going to be and I would invite him to comment on this, but I doubt whether the loss will be much less than 8% of the gross domestic product. Equally regrettable, Sir, has been the reaction from the United Kingdom press and by Members of Parliament. There has been no sympathy for Gibraltar, not even from the British Gibraltar Group. The role of the British Gibraltar Group, as seen by their Chairman, appears to be not to represent our views and aspirations to the Foreign and Commonwealth Office but to do the complete opposite and to tell us what the views of the Foreign and Commonwealth Office are, to tell us what their policies are, and to attempt to convince us to fall in line, to fall into step. This is the complete opposite, it is the complete to what Sir Albert McQuarrie would have done had he been Chairman of the British Gibraltar Group and I cannot help but commenting that with friends like these in the British Gibraltar Group, we certainly do not need enemies. No wonder that the Spanish Government was delighted with the news and has gone along with Sir Geoffrey Howe to try to ensure that the Gibraltarians do not overreact. Sir, and in this context, I would stress that it is becoming terribly important to make contact with and to win over Members of Parliament to our cause and that attendance at the Labour Party Conference, whilst a good thing, is not good enough on its own. Hon Members opposite, who attend Labour Party Conferences, I know have to struggle there to try to convince, to try and win over left-wing Labour Members of Parliament who have it in for us by virtue of the fact that they regard us as Colonials and that Colonies should be a thing of the past and that Gibraltar, many of them may

think, should be wound up and handed over to Spain, particularly with a Socialist Government in Spain. Now rather than struggle trying to convince those people like Frank Hooley Kevin McNamara and others, whom we have seen in Gibraltar and know what their attitude is, I would commend that we work on other people who do not have such prejudices a priori against Gibraltar and whom we could lobby and win over to our cause. We should also work on younger Members of Parliament so that those who are re-elected will continue to support Gibraltar for many years to come. I understand, Sir, that there has been an offer made recently by the United Kingdom Branch of the Commonwealth Parliamentary Association to send a delegation over to Gibraltar and we should respond quickly and affirmatively and also ask them, as I said previously, to send us a young delegation of Members of Parliament with whom we can renew contact, whom we can lobby for support for our cause. There is a danger of losing the battle for the minds and for the hearts of UK public opinion if we just sit tight, and we from the Opposition, will be willing to support the Government and form part of any delegation which could be sent, and I put this as a thought to the Government, to the House of Commons to try to update them with our aspirations and to try to lobby support for our cause. A weak Gibraltar lobby or no lobby at all will leave us totally exposed if any real attempt were ever to be made to sell Gibraltar down the river Thames. This new cutback is unlike the closure of the Dockyard because no offer of financial or economic assistance has been made because I think that the view that has probably been taken in those United Kingdom Government circles is that with hardly any unemployment in Gibraltar, we are already too well off. Clearly they do not have regard for the fact that personal taxation in Gibraltar is already considerably higher than in the United Kingdom, that we have got serious social problems, notably housing, education, poor school buildings and that we have to improve and update our medical facilities. That is why I think that it is important that the Government, if they have not done so already, and I hope that they did during the visit of Sir Geoffrey Howe, it is important that they should put in an early marker for such economic assistance. It is also necessary to ensure that no payment should be exacted for any lands and buildings that may be released by the Ministry of Defence as a result of troop withdrawals. The 1983 Lands Memorandum requires that payment should be made in accordance with paragraph 23, it says, and I quote: "The Gibraltar Government will make single lump sum payments to the Ministry of Defence for all surplus defence buildings under sixty years of age which are of continuing value to them". There is then laid down a formula for meeting such lump sum payments. But not only the buildings, sub-paragraph 4 then goes on to lay down that: "buildings will include pipelines and services and installations and structures on the seabed or foreshore built or installed by the Ministry of Defence at their own expense". The provisions in the 1983 Lands Memorandum are fine, they are OK, in respect of buildings that may be handed over from time to time in the normal course of events, on a piecemeal basis let us say,

and therefore in such a normal situation payment could be made by the Gibraltar Government and such payment could be taken in our stride. However, the provisions of the 1983 Lands Memorandum do not meet the abnormal situation which is created if there is a massive withdrawal of troops, if there is a shutdown of PSA/DOE installations and many buildings and a great deal of land is handed over to the Gibraltar Government. I think that the Ministry of Defence should not expect the Gibraltar Government to pay, having regard to the adverse effect on the economy which such withdrawals are going to have, and would in our view be adding insult to injury and therefore I think that the Gibraltar Government should also in the consultations that are to follow address themselves to re-negotiating the provisions of the 1983 Lands Memorandum which are seen to be out-of-date and totally inadequate to meet this new situation. Sir, we are moving this motion in the hope that the Government can support it and even if they do not appear, so far, to have regretted the military reduction as much as we do, the motion is designed and it is intended to be of assistance to them in the course of the consultations which are to follow on the extent of the cuts. I therefore commend the motion to the House.

Mr Speaker then proposed the question in the terms of the motion moved by the Hon A J Canepa.

HON CHIEF MINISTER:

Mr Speaker, I will be answering on behalf of the Government, to explain the Government's position which in fact has already been explained publicly before the meeting of the House. The Government of Gibraltar fully accepts the explanation given by the British Government that the reduction in the Battalion strength is something to be considered purely for military and economic reasons and not as a method of selling Gibraltar down the river or down the Thames. We regret the decision, perhaps we do not regret it as deeply as Hon Members opposite because I think we started noticing the disappearing of the Empire some time ago but nevertheless I think the relationship between the Forces and the people of Gibraltar goes back a long way and, of course, when something that is part of one's life or one's institution changes, it is a matter for regret but it is not that the people of Gibraltar are being abandoned by the British Government to be handed over to Spain. If we believed the opposite, then it would not just be a question of having a debate in this House about the issue, it would be a question of tackling the matter head on because the position of the Government of Gibraltar was very clear because we do not subscribe to the Brussels Process precisely because we do not consider that Gibraltar's future is a matter for discussion with our neighbours. We therefore do not consider this to be a decision taken by Her Majesty's Government which concerns Gibraltar's future relationship with UK or makes us any less British or more

Spanish. The decision therefore has got to be looked at in the context of its economic implications and I believe the correct leadership, is the leadership that we are giving as a Government and that we would hope Members opposite would give as well, but that is a matter for them to decide what kind of leadership they want to give in the circumstances but it is not to undermine people's confidence, but rather to reassure people that in fact the future is in the hands of the Gibraltarian people and nobody else. The decision announced in Parliament and pre-empted by the press is to conduct a review over the next three years culminating in Spring 1991 and as part of that process, the British Government is committed to looking at the role of the Gibraltar Regiment and the extent to which the Gibraltar Regiment will take over from the job the Battalion does in Gibraltar. That is to say, the job that it is considered that still needs doing. We consider that Her Majesty's Government in carrying out its responsibility for the defence of Gibraltar has to take the decision as to whether it requires to have a Battalion here or two Battalions or no Battalions and we do not think that it is an indication that they are failing to provide for our defence by the fact that they should change the nature of the military presence in either one direction or another. The position therefore is that our involvement in this exercise is to see to what extent it has a negative impact on Gibraltar's economy, the employment of people and the generation of income. The preliminary assessment that we have made, which is of course something that is very superficial, because we do not have very much, in terms of hard facts, to go along with, but assuming the disappearance of the Battalion and assuming nothing took its place, that is to say, assuming that there was no increase in the Gibraltar Regiment and assuming there was no release of land and assuming that there was no new economic activity, the preliminary calculation is that the loss to the GNP would be of the order of £8m and the loss to Government revenue is of the order of £2m. It would represent for us, if nothing else happened, it would mean that in 1991 the Government of Gibraltar instead of breaking even would have a £2m deficit and that is the extent to which we have quantified the effect based on the information available to us, as to the numbers employed and the numbers that will cease to be employed. Obviously a lot more work needs to be done and we need to be in a position to know exactly what is going to be kept and what is not going to be kept before we are able to do a more effective exercise. The Input/Output Study, as I think I mentioned in previous debates, Mr Speaker, was in fact completed late last year and I have now been given the draft by the team that was doing it and we have had to send it back again because we are not happy that it reflects accurately what we consider to be the relationships between the different elements of the economy and this is, of course, very important because of the multiplier effect and if the effects on the economy are not accurate then the thing, as a prediction, is useless because if the model tells you, for example, that if the banking sector grows by 50% then Government revenue will grow by 10% and we know that the

banking sector has grown and we know that Government revenue has not grown, then we have got a way of testing the prediction that was made in 1987 about what would happen in 1988. This is in fact something that puts us in a position, before we decide that we can use the model, to tell us what is happening in the economy, of testing what the study predicted was going to happen in 1988, against what actually happened in 1988. We are sending that information back to Dr Fletcher so that he puts it into the computer again because the results of the model that we have seen so far, my own view and the view of my advisers in the Statistics Office and of the Administrative Secretary who has got a lot of experience of working in the original model in 1978, are that it seems to be exaggerated and that therefore the effects upwards would appear to be much greater than what we are experiencing and obviously the same thing works in the opposite direction, that is to say, if you have got a multiplier that exaggerates the benefits of more banks then it obviously exaggerates the negative impact of less banks and what is true of banks is true of soldiers or anything else that is bringing money into the economy. The figure that I have got of £8m lost to the economy and £2m lost to Government revenue is, as I say, one that may change completely in the light of more accurate forecasting variables and when we get to know exactly what the British Government is thinking in terms of the remaining role for the Army and how that role is going to be taken care of, whether it is by a combination of soldiers from UK and expanding the Gibraltar Regiment or exclusively by the Gibraltar Regiment and whether the impact of the economy is the same if we have got more Gibraltar Regiment and less UK soldiers or vice versa and at present we do not know that. The position regarding PSA has nothing to do with the decision on the Battalion in 1991, it is connected to the decision taken by the UK Government, to unlink PSA from the Service Departments in UK. We do not know whether this is going to be done in Gibraltar as well. What I can tell the House is that the view that I put to Sir Geoffrey, when he was here, was that it was unworkable in Gibraltar. The basis of unlinking will be that PSA would have to compete with private sector companies in UK, to be able to act as the agent for the Ministry of Defence and, in fact, for each of the three Services. So it would mean that the Navy, the Army and the Air Force will be able to either contract direct, use PSA to dish out contracts or use somebody else instead of PSA to dish out the said contracts. The amount of money that is spent by the three Services will not change, what will change is the role of PSA as an intermediate. It is a matter of judgement but, in my view, PSA will have difficulties in surviving in the United Kingdom, in that competitive climate with the Services being able to take away its fundamental function, because PSA itself does not generate any work. PSA manages the work for the Ministry of Defence and the work for other Government Departments in the UK. Whether PSA can continue to exist in Gibraltar, if it ceases to exist in UK, is doubtful, in UK it is being

converted to an Agency status in the course of the next twelve months, but it may well be that the view that I have put to Sir Geoffrey Howe and which he agreed to take back and pass on to his colleagues will, in fact, prove to be accurate and, on investigation, they will indeed come to the conclusion that PSA in Gibraltar cannot do what they want PSA to do in UK because in Gibraltar there is another agency that can compete for that work with PSA. Either PSA does it or else the Services have to go direct to contractors. The situation therefore, as far as PSA is concerned, is that the level of direct employment in PSA today is higher in relation to the level of the Armed Forces in Gibraltar, than it is anywhere else in the world and that is, again, due to the fact that the contracting industry in Gibraltar is not as geared to doing the work as they are in UK and, of course, the volume of work in Gibraltar is relatively small and consequently where there are small contracts it is not worth mobilising to come in and do a job and then the next tender might not be given to that firm, so the contracting situation in Gibraltar is one that PSA has, for a number of years, been doing more by direct labour than, say, in Britain, Germany, Cyprus or anywhere else, where the bulk of the work is being given out to private contractors. In fact, 600 jobs cannot be lost in PSA because 600 jobs do not exist in PSA. PSA has got something like 350 industrial workers and, perhaps, 50 or 70 non-industrials so there is no way that more jobs can be lost than exist already. Let me say that during the term of office of the AACR, PSA actually declined from employing 850 industrials to employing 350 industrials so they have actually lost 500 jobs in the last ten years by natural wastage, by redundancies, as the estate of the Ministry of Defence diminishes with transfers of property to the Government, as has been happening in the last ten years, and it is logical that the people employed to maintain those estates should also diminish. Because if the College of Further Education was previously the Gibraltar Technical College, then the maintenance of the Gibraltar Technical college was previously done by PSA but the moment the Navy relinquished the building then PSA relinquished its maintenance task and passed it over to the Government of Gibraltar. This is also the situation with the giving up of the Naval Dockyard where the land and buildings which had been the responsibility of the PSA passed to GSL. However good or bad a shape they were in they nevertheless created employment for people and once the work was gone the employment disappeared with the work. Now the Government believes that the trend we have been experiencing over the last ten or fifteen years of declining defence expenditure will continue and the Government's Economic Programme is based on this premise. We believe that the whole trend in the world is, in fact, for cutbacks in defence spending and that it is a desirable situation to live in a world which is at peace rather than at war or on the verge of war. So we cannot be in favour of military spending but we are, of course, concerned that people should not be left high and dry because of a sudden change. We do not, however, think that this is

a sudden change because between now and 1991 we believe we have sufficient time for all those affected to be fully consulted and for the Government of Gibraltar, in consultation with the British Government, to make sure that we are able to protect Gibraltar's economy from any negative impact. The position at the moment is that we calculate that defence spending in Gibraltar accounts for about 25% of our GNP, having been 65% at one stage, and that with every passing year that percentage will get smaller, and that in the not too distant future it will be a not very significant part of our economy. Certainly in terms of numbers employed and in terms of revenue yield to the Government from direct taxation on the incomes of those employed, there are already bigger sectors than the Ministry of Defence in Gibraltar and certainly bigger sectors than the PSA. The situation as regards the Lands Memorandum of 1983 is that we agree with only part of what the Hon Member has said. The Hon Member opposite has said that the Lands Memorandum is outdated and that therefore should not be used to determine the basis upon which lands and buildings are relinquished by the Ministry of Defence on special occasions like the withdrawal of the Battalion. We do not agree with that entirely because, as far as we are concerned, it should not be on special occasions only, it should be all the time. The view of the Government of Gibraltar is that we do not accept what the Hon Member accepted in 1983, and to give the House an example, when we came in in April last year we found that the previous administration had agreed to pay £73,000 for the empty Guard House at Four Corners, empty after the removal of the Guard and which he did not want removed, now we are certainly not going to pay for Lathbury Barracks if the MOD no longer require it, like they were prepared to pay for the Guard Room. Fortunately, we were in time to stop the payment of the £73,000 and we told the MOD that either they would let us have the Guard Room for nothing or they could keep the Guard Room. They have, however, been kind enough to lend us the Guard Room and we have been using it since April, 1988, without having to pay rent. We therefore, in fact, disagreed with the policy of the previous administration of paying, not because the Guard was removed, not because the Battalion is going to be removed, not because they closed the Naval Dockyard, but because of the right to our land which is a concept which, I think, the Hon Member opposite has come across at some time or other in his political career. I am therefore, Mr Speaker, moving some amendments to the motion which I hope Members opposite will be able to accept and which reflect our own views and takes on board theirs and the Government will therefore be voting in favour of the amendments and also in favour of the amended motion. I am now circulating the proposed amendments, Mr Speaker, which amend paragraphs (2) and (3) of the motion, leaving paragraph (1) as it is. What I am, in fact, proposing is that the motion be amended in paragraph (2) by the removal of the words "agreed upon" in the last line and the substitution of the word "proposed". I do not think we can support at this stage here, that the British Government should

have to agree to something which we have not even yet proposed without ourselves knowing what, if anything, we are going to propose and without even knowing what is the nature of the compensatory package that we need, if we need one, because we do not yet know what needs compensating but, certainly, it is a good idea to make such a proposal to the British Government when the time comes, if it is considered necessary, when we have the full facts before us. We hope they will agree to what we are proposing because it is a matter to be negotiated as and when the occasion arises and we do not anticipate that that will be happening before 1990. We will certainly expect that most of 1989 will be spent in looking at different versions of what might or what might not happen in 1991 and, clearly, different versions will have different economic consequences so we cannot say: "this is what needs compensating" until the final decision has been taken on what is going to take place. I am also proposing the deletion of all the words in paragraph (3), in the light of the explanation that I have given because, in fact, as far as we are concerned, paragraph (3) reflects an acceptance of the 1983 Lands Memorandum and seeks to say "on this occasion an exception should be made and on this occasion no payment should be made". As I have already explained we are not prepared to make any payment anyway on any occasion. So I am proposing that paragraph (3) should read: "Declares that any lands and buildings that are not required for defence purposes should automatically devolve to the Crown in its right of the Government of Gibraltar". Let me say that that is a view that has been consistently put to us since we took office by the Director of Crown Lands parting from the premise that constitutionally, when there is a change in occupation of the building from it being occupied by the Ministry of Defence to it being occupied by the Government of Gibraltar, the fundamental ownership has not changed because, in fact, public land in Gibraltar is Crown Land and when the MOD pass it over to the Government of Gibraltar it does not stop being Crown Land, it continues to be Crown Land and it is the view put to us by the Director of Crown Lands and which we support 100% politically, that to change the utilisation from a military to a civilian use does not require a sale or a change of ownership because the ownership continues to be held by the Crown and it is either the Crown, through Her Majesty's Government in the Government of Gibraltar, or the Crown, through Her Majesty's Government in UK and the Minister for Defence. There is a question mark on the subject of MOD freeholds and that is an area where further thought needs to be given because there are very few of them. We are not sure how they came about originally, that the bulk of the land is, in fact, held as Crown leaseholds and the fundamental ownership continues to be with the Crown and even where, for example, the Governments puts out any land or buildings for development, the policy of the Government is that we do not, in fact, grant any freeholds. None of the developments being encouraged by the Government in the private sector involve the granting of freeholds. They are all long leaseholds of 150 years following the precedent already created and we have felt that once there are a number of developments

with 150 year leases others must necessarily continue to enjoy the same length otherwise anybody developing with a shorter lease would be at a competitive disadvantage to those that have been granted before. The thinking of the Government is that if the MOD no longer requires a piece of land for defence, then automatically it belongs to the Crown and the people of Gibraltar and then the Government of Gibraltar has to decide how best to use that land and whether it should be for private development and, if so, on the basis of a long lease so that fundamental ownership remains with the people and the Crown. Mr Speaker, the proposed amendments to the motion of the Hon Member opposite are, in fact, in reflection of this philosophy which I hope they will be able to accept because, if anything, it goes further than what he is suggesting. I commend the amendments to the House, Mr Speaker.

Mr Speaker proposed the question in the terms of the amendments proposed by the Hon the Chief Minister.

HON A J CANEPA:

Mr Speaker, we do not have much difficulty in accepting these amendments. It could have been that in drafting the motion, in the second paragraph, the original draft or another draft it could have said "should be proposed". I should, however, say in all fairness that I had in mind, I wanted to try and bring a little bit of moral pressure to bear on the British Government. This is why I had the idea of "agreed upon" so that they would be forthcoming in agreeing with the Gibraltar Government the package which I would naturally expect the Gibraltar Government to propose. That was my intention, Mr Speaker. With regard to paragraph (3) there is no difficulty, it is an all-embracing paragraph (3), as it has been amended and which covers the point quite adequately that we had in mind. There are, however, two matters in this respect that I want to dispose of now and, therefore, when I exercise my right to reply, I will not have to deal with paragraph (3). The two matters are, first of all, the question of the Guard Room. Yes, we were prepared to pay for the Guard Room because for many years since the frontier opened we had serious difficulties because of lack of space and difficulties in providing facilities for the Customs, for the Police and for the Tourist Office. They all had problems and acquiring that land with those buildings was a possible way of meeting the situation. So from a physical point of view to have the land on which the Guard Room stands and those buildings handed over to the Gibraltar Government helped us in meeting the problems which the open frontier had created. We had a continuing use of those buildings by any of these three departments and that is why under the provisions of the Lands Memorandum we were prepared to pay £73,000 which is an example of the day-to-day arrangements that may arise when a specific tract of land or building is handed over. But in the same way as in the case of the Dockyard, we did not pay a penny towards the land or the buildings there. We think that the reduction of a Battalion, and if Lathbury Barracks is a case

in point, that cannot be met by the 1983 Lands Memorandum and you have a new situation. I have my doubts as to whether Lathbury Barracks is going to be handed over by the British Government, South Barracks perhaps, but Lathbury Barracks we shall see. I do not think that it will materialise. The other point is about land that is not required for defence purposes automatically devolving to the Crown in its right of the Government of Gibraltar. Let me inform the Hon the Chief Minister that this is not something which the present Director of Crown Lands has thought of. This concept was thought of and developed by the Attorney-General's predecessor, David Hull. It was with that concept that he did battle on the 1983 Lands Memorandum and he saw the position in that light because he was from New Zealand and therefore he could take the view that the Crown is the Crown. You cannot say the Crown/Ministry of Defence, the Crown/other UK Departments and the Crown/Gibraltar Government. They are not separate Crowns. There is one Crown and therefore the whole thrust of his negotiations was that buildings and land now held by the Crown through the Ministry of Defence should be handed over because they would still continue to be Crown property and should be handed over automatically to the Government of Gibraltar. It is still the Crown by virtue of the Gibraltar Government so I am afraid that the concept is pre-1983 and is not something recent. Mr Speaker, with those comments we can now vote in favour of the amendments and if we do so now it will be better from the point of view of the continuation of the debate and return to the substantive motion.

MR SPEAKER:

Does any other Hon Member wish to speak?

HON CHIEF MINISTER:

I think, Mr Speaker, the only point I want to take up is the one that the Hon Member has just mentioned on explanation. It seems to me that he has very ably contradicted himself because if the philosophy that I have told him, we support fully politically, was there before we came in and was there before 1983, then he still has to explain why the Crown was prepared to pay the Crown £73,000 for its Guard Room if it was the same Crown that had the Guard Room before and the same Crown that was going to have the Guard Room afterwards. Our position is that we have been using it, that is, the Crown has been using the Guard Room that the other Crown had to keep its other Crown employees in other coloured uniforms from the Crown employees that had first the khaki uniforms and we have saved £73,000. The Hon Member's willingness to pay the MOD and which they were quite happy to receive and no doubt if we came along and said: "We are going to give you £73,000", they would no doubt take it. We however said to them "we need it" and they have been kind enough to let us use it without charging us for it and if they wanted

that kind of money we would look at the position, like we do every time we have to spend a penny and decide whether the offices in question could be better and more inexpensively accommodated in portacabins and we would let the first Crown keep its Guard House.

HON M K FEATHERSTONE:

Mr Speaker, if the Hon Chief Minister will give way. The Lands Memorandum that was actually agreed in 1983 was a great improvement on the previous Lands Memorandum and this is a continuing process. In the 1983 Lands Memorandum, reclaimed land was treated as natural land and would not have to be paid for. Previously we had to pay for reclaimed land and we accepted that we would have preferred that any buildings should be handed over free of charge but the Ministry of Defence stuck in their horns and stated that this was as far as they could go and we accepted this as a reasonable compromise because we were not paying for the Dockyard. In the next Lands Memorandum that comes up and which I hope the Hon Chief Minister will negotiate quite shortly, we hope that the stage will be taken further and eventually all land will be handed over free of charge. I thank the Hon Member for giving way.

HON CHIEF MINISTER:

We have, in fact, Mr Speaker, since taking office, put forward the concept that I have explained today and which apparently has been there for a very long time, on the basis of that it is the MOD that has to make a case to us as to why they should be allowed to keep anything. Rather than us making a case to them why they should give us something and I do not know what they are going to do with their horns on this one but so far we have obviously been more able bullfighters than others in the past.

Mr Speaker then put the question in the terms of the Hon the Chief Minister's amendments to the Hon A J Canepa's motion which was resolved in the affirmative and the motion was accordingly amended.

HON LT-COL E M BRITTO:

Sir, there are two salient points in my mind on what the Honourable the Chief Minister has contributed towards the substantive motion. Firstly to reduce the whole question of the reduction in the level of the forces to one of pure economics and secondly to place firmly on the lap of the British Government and Ministry of Defence the future of the defence of Gibraltar and the implications of the strengthening or otherwise of the Gibraltar Regiment. On the question of the Gibraltar Regiment, I will return to later in much more detail, but on the question of reducing the whole thing to an economic level, I think that the Honourable the Chief Minister must be losing touch with the grass-roots of Gibraltarians and Gibraltar, if he thinks that there is not genuine concern amongst the people regarding the removal of the British forces from Gibraltar. I am glad that the Government has supported the first paragraph of the motion as it stood because it embodies, I think, the feelings of Gibraltarians, in deeply regretting the fact, that we are shortly to see such a drastic reduction in British forces. But perhaps the Government has been misled by the lack of public reaction when the news was announced. I think this is possibly due to shock more than anything else. Perhaps they had compared it to the outcry that there was when the frontier guard was removed. But privately, let me assure the Chief Minister, people are expressing serious doubts and fears about what they see as the inevitable, leading on from a sequence of events which included some time back the rundown of the Royal Air Force personnel, the closure of the Dockyard, the removal of the frontier guard and the troop withdrawal just announced. The question being asked in private as much as in public is what next? Nevertheless we are assured by the Chief Minister today, as indeed we were by Sir Geoffrey Howe on GBC television, that there were no political implications in the withdrawal of British troops, and that these were indeed natural now that Spain is no longer seen as a military threat to Gibraltar. Sir Geoffrey also talked in fairly vague terms about the reinforcing or strengthening of the Gibraltar Regiment, but he deliberately dodged the questions on the defence of Gibraltar, except to say in very general terms that the Gibraltar Regiment would play a significant part. I can understand Sir Geoffrey's deliberate vagueness because undoubtedly he is well briefed and he knows full well, as any thinking Gibraltarian will realise, that the defence of Gibraltar will be considerably weakened by the removal of the Resident Battalion. Similarly, Sir Geoffrey knows equally well, although I am not so sure that the Chief Minister realises it, that the reinforcing of the Gibraltar Regiment in the time scale being envisaged is going to be if not impossible, an extremely difficult task. I will just illustrate that with one simple question, with one simple figure; there are less than one hundred school leavers a year, if one forgets people going on to further education, and with the figures that I envisage being

needed, and which I would not for obvious reasons want to go into at this stage, in strengthening the Gibraltar Regiment to meet the tasks seen for it to replace the Resident Battalion. It would be impossible to meet this demand in manpower purely from youngsters leaving school. Similarly, it would be equally impossible to recruit, except but a few, from the redundant personnel that would become available from PSA/DOE and other associated services. I see doubt on the other side of the House. It is not just a question of suitability, but a question of age and recruiting obviously starts at a fairly young age. The Chief Minister is quoted as having said, in trying to reduce the importance of the reduction of British Forces, that he saw this as one part of the British army being replaced by another part of the British army. I must say that it gives me a little bit of pleasure to be able to return the compliment and to say to the Chief Minister something that he does not find great difficulty in saying and that is, that on this occasion it is he who does not know what he is talking about. I say this because much to my personal regret, the Gibraltar Regiment is not part of the British army, and that is where the crux of the problem is going to lie, in what lies ahead, and where I urge the Government to realise that they have a fairly vital role to play in the months ahead by not sitting on the sidelines and waiting for MOD and British Government to produce a final answer, but to play a significant part in the consultation and in the process of dialogue that has been announced and in influencing the British Government along lines that it would like to see taken.

HON CHIEF MINISTER:

Can I just correct the Honourable Member opposite. Let me say to him that in fact the discussions already taking place for an increased participation in the role that may be required in 1991 by the Gibraltar Regiment is on the basis that the Gibraltar Regiment will be part of the British army.

HON LT-COL E M BRITTO:

If that is indeed the final outcome, Mr Speaker, it will be glad news indeed to all members of the Gibraltar Regiment and indeed to Gibraltar as a whole, because I hasten to add that unless it happens in that way, and that is the final outcome, I see great difficulties in achieving what is trying to be envisaged. Maybe the Chief Minister will allow me to expound a bit on this, for the record, and possibly for his own views at any given stage. Let me stress, at this point, that although I served in the Gibraltar Regiment, as a conscript way back in 1961, I also served in the other ranks right up to the rank of sergeant before I was commissioned and I became an Officer and today I purposely wear the Gibraltar Regiment tie to establish the connection in what I am saying. I would like to stress that I stand here without any brief from

the Regiment, I stand here without carrying any message from them or what they want, I stand here as a representative of the people, and speaking in general terms. The Regiment, as the Chief Minister knows, is purely a Territorial Army or a volunteer unit but despite the fact that it is not part of the British army, it has achieved excellent standards in the past and has been judged well above equivalent units in the Territorial Army and British Army. It has a dedicated and professional permanent regular cadre, it has an enthusiastic and efficient volunteer element and that I have no doubt, that today, it is fully capable of carrying out the role for which it is trained, just as I know that it was, four years ago, when I left command of it and I stress that I have very great pride in having commanded it. Having said that, I will stress to the Chief Minister that in its present form and unless drastic changes are made, the regiment will not be able to take over from the Resident Battalion in 1991. Some of the circumstances have been mentioned previously but I will highlight just three. In the circumstances of an IRA bomb, as we had recently at Inces Hall, the Regiment would not be capable of responding, in the circumstances of direct bombing attacks from a country like Libya, as to anybody who went round Gibraltar at the time and saw for himself what troops were deployed on the ground would have guessed that the threat was imminent, the Regiment, today, would not be able to react for any appreciable length of time and similarly in a situation of civil unrest, where military assistance was required to the Police, the Regiment, in its present form, would not be capable of reacting. The question of why not is diverse but it hinges on two things, one in the number of regulars that it has and two in the difficulties of recruiting due to its conditions of service and here is where I would stress to the Government, their almost obligation or the need, for their direct influence in the consultations with the British Government in the years ahead because when parity came to Gibraltar or when the situation changed, the one glaring example, where it did not happen was with the conditions of service of the Gibraltar Regiment. This is because it remained outside the British Army and if this continues, the Regiment will be unable to recruit the people that it needs to increase to the strength that it is being envisaged. There is also a need for a dramatic increase in the proportion of regulars to volunteers and finally there is a need to remove the inferiority complex that the Regiment has of being second rate to the Regular Army. Because come 1991, from the indications that we have so far, it could well be that the Army in Gibraltar will be the Gibraltar Regiment and one can envisage a situation where the Regiment will be the major unit and there will be smaller elements of the British Army working under it or with it, and under the present conditions of service of members of the Gibraltar Regiment, the situation that would then arise would be that two soldiers of equivalent rank and doing the same job and having equivalent

responsibility would have different rates of pay and different conditions of service. I am sure that the Government will appreciate that this is not only undesirable but will also be uncondusive to recruiting and to maintaining the people who are already there. So I urge the Government most strongly to act, as if it were a Union, on behalf of the Regiment in the forthcoming negotiations with the British Government and to make sure that the only answer that will provide the solution will be the indication that the Chief Minister gave earlier, of integrating the Gibraltar Regiment into the British Army. That, let me assure the Chief Minister, is the best solution and, in fact, the only solution.

I will not go into detail on the other paragraphs of the motion except to stress once again the importance of the number of jobs that are likely to be lost in the exercise and to stress that unlike the closure of the Dockyard, there is, at present, no equivalent new entity opening that will provide the number of necessary jobs. Similarly, to highlight the point that in the expected evolution of Real Estate and bricks and mortar, that we also confidently seem to expect the MOD to be handing over, when the Force levels are reduced, that the reduction is in proportion to the number of men that are removed from Gibraltar and not that the Services be allowed to keep a much higher proportion of the land than they actually need.

HON DR R G VALARINO:

Sir, the first part of the motion which reads: "This House deeply regrets the decision of Her Majesty's Government to reduce the presence of military and civilian personnel in Gibraltar, including those in the employment of PSA/DOE", can be sub-divided into three parts. Firstly, there is the loss of the military relationship with the UK and the reliance and safety that the Battalion amongst other Army personnel provided us with. Secondly, there is the loss of jobs as a direct result of the reduction in military personnel for the people of Gibraltar. Roughly about one-third of the PSA/DOE workforce is involved in servicing part of the military personnel that would be reduced and allied to these jobs and those associated with other units. The loss of jobs to Gibraltarians and the young people who would have eventually replaced them number roughly around five hundred. Thirdly, the loss to the economy of Gibraltar, both directly in the form of direct taxation and higher levels of spending of both the local population and military personnel, through the so-called invisible earnings of their wives, children and friends in shops, restaurants, garages, etc. The percentage of job losses if one is to take the numbers employed in the official sector as of October, 1987, is a relatively high one and similarly it is also a relatively high one of the total working population in the public and private sectors. I would be interested to know, from the Government, what

plans they have towards the re-employment and/or re-training of these people when the time comes. Obviously the final figure could well be lower since some posts could well have been abolished by the process of natural wastage, but a firm figure will remain and this would need dealing with. The reduction in the workforce in the official sector coupled with Government's freezing of employment in other sectors such as the closing of King's Bastion in two year's time and the rumours that the Government does not want to bear the expense of two extra engines for Waterport Power Station, makes one wonder what contractions the local workforce and the economy will suffer by 1991/92. I feel that we are entering an era when the training of young people is becoming very important and I would be grateful for full details of the £2 levy that employers are paying since August last year for each employee regarding the manner it is being spent. I am sad to see that the Government has not come out in a more positive way regretting the decision of Her Majesty's Government and whilst swallowing a bitter pill, reassuring the people of Gibraltar that present standards of living will be maintained. It is not enough to say that Her Majesty's Government is responsible for defence and foreign affairs since the proposed reduction in the military presence will affect us deeply. It is now even more important since it seems that public opinion in the UK is turning against the political wishes of the Gibraltarians and one reads of articles in newspapers and quotes from UK MP's that we would be better off with Spain in the long run. We seem to have lost our rapport and contacts with Westminster and other UK press and I earnestly hope that the situation will be reversed for the good of Gibraltar. The second and third parts of the motion deal with important parts that are conditioned on having to accept the decision by Her Majesty's Government. It is imperative that an economic package be sought between the Gibraltar Government and the UK Government on how to tide us over that hiatus that will appear in the economy once the military personnel leave the Rock for good. This package should be one of aid principally, but I would be interested in the Gibraltar Government's pursuance of this matter and whether they have done anything about it as yet. The idea of this package was put to Sir Geoffrey Howe by us but unless it is actively acted on, I am afraid that Gibraltar will also lose out on this one. The last part of the motion deals with buildings and lands left over by the military and surplus to their requirements. It is vitally important that these are handed over promptly and at no cost to the people of Gibraltar. It is certainly not our wish that the UK Government should have taken this type of action at this stage of time. There is no doubt that the 1983 Lands Memorandum is totally out-of-date and should be re-negotiated. Houses relinquished can be used to re-house a large section of Gibraltarians who need adequate housing and other areas may be developed to boost up the economy that will be leaking as a result of the adverse effect of the troops cuts. All in all, I earnestly hope that the Government will take on board everything that has been said here today and that it will support actively the amended motion. Thank you.

HON P C MONTEGRIFFO:

Mr Speaker, I just want to make a few comments following the Chief Minister's contribution. The Chief Minister started his contribution by saying that the Government's position had been explained publicly and implying, therefore, that the motion was redundant or unnecessary.....

HON CHIEF MINISTER:

Mr Speaker, if the Hon Member will give way. The Hon Member and any other Member of the Opposition can bring seven motions to the House at every session and the Government will patiently listen to a repetition of forty-nine arguments, that is their privilege in a democracy. They can bring as many motions as they wish and I would not be a Parliamentarian if in any way I was criticising them for bringing a motion, quite the contrary.

HON P C MONTEGRIFFO:

The Chief Minister does not yet have the power to stop us bringing motions and, of course, he has to listen to us. The point is that in his opening remarks, when he said that the Government's position had been made clear publicly, the implication, certainly as far as I understood it and I think the way it has been understood by many others, was that there was no need for the Government to further explain its position because it was totally repetitious of what people had heard before. The point that I would like to make is that the general impression both from the press and from other sectors of Gibraltar is that there has been a regrettably low profile reply or response to the cuts. I accept that leadership does not involve undermining confidence and scaring people unnecessarily about the implications that that particular move may or may not have. However, the Gibraltar Chronicle summed up the rather, not pathetic mood, but rather pathetic reaction of Gibraltar where it says "Gibraltar resigns itself to Army pull-out, Gibraltar has quietly resigned itself to the announcement yesterday". I think, Sir, that there has been a failure, and it is not the Government's, I am not going to be unfair, a failure of public opinion in Gibraltar in reacting and saying: "Well, fair enough, we may accept that certain cuts are inevitable for military reasons but there are implications that transcend the purely military matter and which should have been reacted to a little more aggressively". I would have liked the headlines in the Gibraltar Chronicle to have been "Gibraltar protests" or "Gibraltar deeply regrets" or words to that effect. The headline is, however, accurate and I would take exception with the Chief Minister in his assessment that the Government's handling of the public relations has been totally adequate. In fact, Mr Gomez himself, a Branch Officer of the TGWU, in an interview with Panorama claimed that the position of the Government as it then stood on the 6th February, might be seen to be weak and that he would have liked to have seen

a public stand on the matter. What Mr Gomez also said very clearly was that Sir Geoffrey Howe had perhaps taken a wrong impression, given what had been expected before he came over, and that the Gibraltarians had not been bothered about the cuts. That was entirely false and this had been pointed out to him. I think Sir Geoffrey came to Gibraltar, not to sell us the airport deal and not to just look at the reclamation, this is now clear, he came because he thought there was going to be very deep anxiety about the cuts. These things happen that way, it was not just fortuitous that the news came out that same day and I think that the fact that Sir Geoffrey was here and the cuts were announced were arranged to coincide to some extent, with his visit and the fact remains that Sir Geoffrey had a very easy ride. I think Sir Geoffrey felt that "well if this is the sort of resistance that the people of Gibraltar put up to a major cutting down of the presence militarily then many other things can happen much more easily". I am glad that in this motion, at least, the matter has been aired and I think it is not just a question of the Opposition having a right to bring a motion, I think that this motion has served a very useful purpose and the Government's amendment, which we have accepted, and therefore the agreement to the motion strengthens this and sends the right message to London. Fair enough we cannot stop troops leaving and we could not stop the Dockyard closing, but the fact is that we do not like it. We may be living in a world where defence expenditure is being reduced but we do not like the way it is being done, we do not like the state of uncertainty in which we find ourselves in and the question of the economic impact, I think, is something that is largely unquantified. We have heard all sorts of figures and the Chief Minister talked about the figure of 600 jobs in the PSA as being impossible because there are not so many jobs in PSA and again, we can only work on the information available. I am not siding with Mr Gomez in every single argument today, and he happens to be echoing all the points that the Opposition wish to make. Mr Gomez talked about 600 jobs in the PSA/DOE and about a further 400 jobs from the Battalion withdrawal and I would have thought that as a Branch Officer before a major interview with a News weekly he would have some indication of the type of losses in question. At this stage without knowing further what actual cuts are envisaged what seems clear is that, as far as the Unions are concerned, they see that there are several hundred jobs at stake. We pressed Sir Geoffrey to see the extent to which he could explain to us how those cuts would take place because I have no doubt that when a decision has been taken to move the Battalion out they have a fairly clear idea of what the implications are. These things are thought out in advance and Sir Geoffrey's evasiveness on it is I think only due to the fact that clearly he prefers to consult the Gibraltar Government before making statements of a general nature. It is not as though the impact is probably not known but rather that the way that it will be dealt with is a matter that he refers to, rightly so, deal with the Gibraltar Government initially. I however think, Sir, that we would do a disservice to Gibraltar if we try to wrongly minimise the important economic impact that this could have.

The Chief Minister has talked about the destabilising effect it could have on the Government's plans to balance the budget by 1991 and obviously the plans go over and against that cut in military expenditure which the Government always budgetted for or always counted on because that has always been part of the Government's thinking ever since they took office, that there would be a progressive cut and the Government was aware of this in some form or other. But we have been given to understand, from what the Chief Minister has said, that such cuts were being taken into account and that if the projection was going to be a balanced budget by 1991 and that now, possibly, we are not going to have a balanced budget by 1991 then the cuts actually announced must go further than the reductions which the Government had been prepared for and which had been indicated before.

HON CHIEF MINISTER:

No, Mr Speaker, I can explain that. As I have already explained although, obviously, the Member opposite has missed the point, I have said that the deficit in 1991 would be £2m and that it would be on the premise of - (a) that there would be no increase in the Gibraltar Regiment, which we know is being looked at; (b) that there would be no release of land and (c) that there would be no new jobs created and no other economic activity. Now, if (a), (b) and (c) were to happen, which the Government of Gibraltar is not planning should happen and is not expecting will happen, then we calculate that the effect will be minus £2m but only if those three things happen and, clearly, the plans of the Government for a balanced budget assume that those three things are not going to happen.

HON P C MONTEGRIFFO:

I am also reacting, Sir, to comments that the Chief Minister made on television and where the impression he gave was that part of the economic impact would be that it would set off course the previous plans the Government had. I remember quite distinctly the previous Government's plans on balancing the budget and therefore a very clear message was, according to the Chief Minister: "It is not another Dockyard but what it is is a blow which means that we will not be able to be on target according to the schedule that we have set ourselves". In fact, I said: "Well, frankly, this is one reason why that target - we are going to get an explanation be it next month or in a year's time after that or the next Budget - will have to be revised". That is the impression that I got but I understand what the Chief Minister has just explained. Sir, the final point that I want to make is that whereas appreciating the essentially military nature of the cuts ostensibly made purely for pragmatic reasons of UK defence cuts, there are, undoubtedly, political implications in the way that other parties view the situation and view the move. Sir Geoffrey understandably, of course, is keen

to underplay any political significance but I think we also have to understand that even though the intention may not be to make a political point and I do not think anybody is arguing that, there are political ramifications to which the people of Gibraltar should be alive to and which should be communicated to London as part of our general disagreement. Mr Gomez himself was also talking about this point which Mr Ordenez, although taking the line that he accepted that the cuts had a military element to them, said that it was a move in the right direction. Mr Gomez said that it was a move in the right direction, obviously not to help Gibraltar but rather that it was a move in the right direction because it tended to reinforce the Spanish vision of a demilitarised Gibraltar, a Gibraltar where the British element is ever decreasing and where that special relationship between Gibraltar and Britain is eroded. I think it is only proper that we, as elected Members, should express that sense of regret, that although we understand the reasons for the cuts there is that political dimension which must not be forgotten and in respect of which our anxiety should be voiced. My overriding feeling, however, Sir, is one of contentment of the fact that a motion on the matter is being passed unanimously and that the amendments, essentially, collect the sentiments and views of the Opposition when the motion was presented and I am glad that Gibraltar has spoken with one voice in the question of these cuts which none of us have liked at all. Thank you, Sir.

HON J C PEREZ:

Mr Speaker, I think it is fitting to remind the House, at this stage, that we have put amendments to the motion that the Opposition have voted in favour of these amendments and that we are all unanimous in the motion. Mr Speaker, they seem to have come here just for a fight and notwithstanding that we are going to agree unanimously, for the first time in this session of the House they are still continuing the fight. I would, however, like to take up some of the points made by the Hon Mr Montegriffo and advise him that if he has been confused by the statements made by Mr Gomez in the press, he should have a meeting with Mr Gomez to clear them up and not bore the House all afternoon with what Mr Gomez has said or the implications of what Mr Gomez might have said in the press.

HON P C MONTEGRIFFO:

Mr Speaker, if the Hon Member will give way. I have not said I have been confused at all and if the Hon Member had listened to what I had to say as opposed to having wasted a minute and not making any contribution to this debate but just have a go at insulting me, well, fair enough.

HON J C PEREZ:

There is no need to make another contribution to the debate.

HON A J CANEPA:

Sir, I will inform the Hon Member that we did not come to this House geared for a fight on this motion. We have come to the House geared for a fight on the motion that we are going to have this afternoon. This one we had very purposely and carefully drafted the motion with a view to carrying the Government with us and it is, of course, the function of the Opposition to bring motions of this type unless the Government think that they should be the ones to do so, which I doubt, because if the Chief Minister starts off by saying that everything that had to be said here has already been said or gives that impression, then I doubt whether the Government would want to bring many motions themselves. I cannot help wondering, Sir, and I cannot help saying that it is astonishing what power does to a man. The Chief Minister starts off by saying that the Government accepted the position of the UK Government and that the cuts are for military reasons. What a contrast with the view that he took a few years ago on the Dockyard closure. He took a conspicuously different attitude when the Dockyard was closed for defence reasons and which was part of the Defence Review. He campaigned against it, he held public meetings about it, that although it was for military reasons that, surely, there was an economic dimension and a human dimension to the matter which was going to affect Gibraltar seriously and therefore he felt that it was worth fighting the issue. Now his aggression has been lost, his campaigning spirit and crusading fervour has gone overboard and he has failed to address himself fully to the motion. He has just dealt with the matter in pure economic terms and which appears to be his failing as a Chief Minister. He has glossed over the human dimension of the problem, almost ignored it entirely, Mr Speaker. Of the political realities he has had nothing to say, not a word about the fact that we are losing the battle of British public opinion and the fact that we have no contact and no support from the House of Commons. He has had nothing to say about this. I have already said publicly that the Chief Minister and his Ministers need to spend more time in London lobbying support for Gibraltar and if they are not able to do that, well, let them tell the people of Gibraltar that they are too busy going to Hong Kong, Washington, Nice and what have you and that they have no time to spend in London looking after the political affairs of Gibraltar. If they cannot do this then we will do it for them and, in fact, we will probably do that whenever any of us are in London. We will probably take advantage of our presence there and make contact with the United Kingdom Members of Parliament because Hon Members opposite are, lamentably, failing to do this important work. Then, Mr Speaker, to say: "Look, do not worry", he says to the people: "The future is in the hands of the people of Gibraltar". And then he goes on to say: "The trend is for more cutbacks in defence spending, do not worry, it is only 25% down and it will be a not very significant part of the economy in a few year's time". I hope that he will not be there, Mr Speaker, for too long to tell the people of Gibraltar to use the same language

if the RAF were to be withdrawn from Gibraltar. He would say to them: "Do not worry, your future is in your hands, there is no significance in the RAF being withdrawn from Gibraltar". And then the Navy, if Gibraltar ceases to be a Naval Base and the Navy is withdrawn and everything that Gibraltar has been for nearly three centuries is lost, well, it does not matter, "do not worry about your future it is in your hands". This is the mistake that the Chief Minister is making. Of course, we are not going to budge from Gibraltar and, of course, we are going to resist any attempt to cut the ground from under our feet and to undermine our basic rights but the Hon Chief Minister is failing, he is misleading people, when he tells them that these things do not matter and that provided your future is in your hands and we have 25,000 supermen, well, forget about 40 million or 50 million people elsewhere and the Governments of whom are taking decisions that can rock you to your foundations. "That does not matter", he says. That is his failure, that he has an over-exaggerated sense of his importance and he is misleading people into thinking that there are certain things that we on our own can fight against when that is not the situation. The situation is serious and he is underplaying it for political reasons.

HON CHIEF MINISTER:

Can I just point out, Mr Speaker, that obviously.....

HON A J CANEPA:

I have not given way, I have finished my contribution.

HON CHIEF MINISTER:

I am not asking him to give way. I am just clarifying, Mr Speaker, that we are voting in favour of the motion, not in favour of the remarks he has just made.

Mr Speaker then put the question which was resolved in the affirmative and the motion, as amended, was accordingly passed.

The following Hon Members abstained:

The Hon E Thistlethwaite
The Hon B Traynor

The House recessed at 1.10 pm.

The House resumed at 3.25 pm.

HON P C MONTEGRIFFO:

Mr Speaker, I beg to move that:

"This House condemns the proposed Government interest in the Joint Venture with Cepsa and demands that the Government immediately withdraw from its participation in the venture".

Mr Speaker, prior to starting my contribution I wish to state, for the record, that I am a member of Chambers of the firm of lawyers that represent Shell Company of Gibraltar Ltd, one of the parties involved in this controversy and I thought that I should mention this. The motion that the Opposition is bringing today is intended to be and should be understood as one, effectively, of censure. It is a motion of censure which the Opposition feels that it is obliged to bring bearing in mind the history of this unhappy matter. By this action, which the Opposition hopes that the Government will be able to take and which is that the Government, essentially, withdraws from its participation in this venture which we think is bad for Gibraltar. It is a big mistake and even though the Government may vote against it today, we would still like to argue that it is even now, at this stage, possible for the Government to rethink its whole position in respect of this venture. The proposed venture, the way that it has become knowledge in Gibraltar has, I think I am fair in saying, caused a great deal of anxiety as to what Government is up to; how clean it is in explaining the different matters it is getting involved in, and how far Government intends to take the position and the concept of joint ventures generally. There is no doubt in our minds, Sir, that in this matter Government has got it quite wrong and I am not sure whose head is going to roll when matters go wrong and maybe Mr Pilcher is the man with the head on the block but I think that, frankly, there is obviously collective responsibility and it is a matter for the whole Government to shoulder. We have no doubt, as I say, that the whole idea of the venture is a total mistake, that there are going to be problems and that it is very much against Gibraltar's best interests to proceed in this way. By way of introduction, Sir, I want to remind the House of our stand on the Government's own position regarding how open or otherwise it chooses to be on the GSL Joint Ventures. The Government's position, as expressed by Mr Feetham in an interview on GBC and as reiterated by the Chief Minister in this House, is that the Government does not feel itself responsible or answerable for what it believes are commercial decisions taken by GSL and hence for commercial joint ventures that GSL enters into. This is open Government, this is what the people of Gibraltar were promised, they were promised full information but, of course, if it is done through GSL that is not Government, that is something else. Mr Feetham when questioned on television was asked: "Minister, is this open Government?" and he replied: "Well, it is as open as it can be" or words to that effect. The Chief Minister here, when questioned and pressed on the same point, apart from saying it was open Government once that they had taken political responsibility

for GSL, made it a point of saying: "I will be answerable politically, Oh yes, we are answerable politically for curing the problems of the past but not for the commercial decisions that GSL is now going to take in entering into joint ventures". Sir, the argument that when a GSL company invests in something that that is not Government is such a transparent, vague and clearly in a substance sense, dishonest argument, that it simply does not hold water. It is clear that if you have a 100% owned GSL entering into a venture that that is Government as far as the people of Gibraltar are concerned. Otherwise it makes a nonsense, a complete mockery of the whole concept of open Government. If every single time the Government wish to invest in something it simply says that it was a subsidiary and then that subsidiary invests in something and then they tell us that that is not Government because it is a subsidiary. Talk about lawyers twisting reality but these are politicians answerable to the people, twisting reality to a totally unacceptable extent. The first thing that we have to say here is that Government is responsible for every venture which its companies, especially those that it owns 100% and in the case of Oxy 50% through GSL do, otherwise we might as well pack up and the level of ethics, political ethics, that Mr Bossano mentioned recently on television which his new Government was going to aspire to and that they were going to introduce a new level of ethics in public life. Well, frankly, it is just going to go down the drain. I remember when Mr Pilcher was first elected into the Opposition in 1984, that he attended a meeting of the European Movement, the first meeting he attended at the John Mackintosh, I was already at that stage a Committee member of the Executive of the European Movement and I remember the Chairperson at that meeting advising Mr Pilcher that in that Committee we tried to do things in a non-political basis and tried to pull together. Mr Pilcher made, at that time, what I thought was a very valid and honest point by saying: "Cecilia, all these questions of wearing different hats is something which I do not understand because underneath the hats is the same head". Those words have stuck in my mind and have become increasingly more significant as events have evolved. Because under Mr Pilcher's hat, all the different hats, is the same head and the same head is the Deputy Leader and Minister of the Government responsible to the people. But again, as I say, that is another example of open Government, another example of this new wave of information, of keeping the public informed and which the people of Gibraltar so eagerly expected after March 1988. The actual companies in question, of course, are two - Oxy Limited an old company which goes back to May 1982, and in which GSL has now acquired 50% ownership together with Gibunco. Heading the list of Directors of this company is Mr Pilcher, described as a Government Minister, as well as Mr Hernandez from GSL. Cepsa-Oxy is a new company formed on the 6th January with Cepsa and Oxy Limited each having a 50% interest in the company. Now, in this company, Cepsa-Oxy, Mr Pilcher duly accompanied by his four or five Spanish co-Directors and six Gibraltarian counterparts, sit on the Board. He was appointed on the 17th January after previously having been appointed to Oxy on the 13th January. So from early

January, Mr Pilcher has been on the Board of these two companies and, of course, we immediately got to know of this because there was a Press Conference, there was a press release, Mr Speaker, I do not want to take this sarcasm too far because, of course, there was actually nothing. You had a Government Minister appointed to a Board of a company designed as joint venture with a Spanish State-controlled oil consortium and no information, no public announcement, nothing at all, is that open Government? The story, by way of an article in the Gibraltar Chronicle on the 2nd February, and which I thought was pretty dramatic news was titled "Joint Venture with Cepsa". Did we have any reaction from the Government? No, nothing at all. The Government was not interested, after all if people got the impression that it was a joint venture with Cepsa and you do not correct that impression, it is neither right nor wrong, it is just there. No clarification, nothing. What is happening here? Shell writes a letter on the 4th February to the Chronicle which seems to confirm the general principle that there is a joint venture and Government continues to remain quiet, nothing happens. I mean, I am not sure then what Government is doing. How far does open Government go? Open Government applies only when the Government wants to be open. On the 6th February the Panorama carries a major story on it. This is now four or five days after the story comes out, two or three weeks after Mr Pilcher is a Director and Panorama appears to want to approach Government and what Panorama says on that day is "Questioned about their interest in the Cepsa Joint Venture the Government does not want to know". The Government appears to forget that Ministers are not private individuals who can do what they like, they are public figures directly responsible and accountable to the Government and to the electorate. This is alarming, that a newspaper that in general terms is very often supportive of Government seeks a Government view of what is obviously a major item in public affairs at the time and the Government, I mean I am sure he is fair, I do not want to question Mr Garcia's professionalism, the Government's view is it does not want to know. Still nothing happens. I then give notice of a motion on the 8th February and I am sure that that in itself would not have provoked any response, but then I am invited to give an interview on GBC on that date and subsequently we at last have the much awaited explanation from the Government, and this was worth waiting for. This was really worth waiting for because I have a good deal of personal respect for Mr Pilcher but this interview, I think, represents one of the most evasive and incoherent explanations of Government's position on the matter that I have come across in the last nine months. The first point taken by the interviewer, quite rightly, was what was in everybody's mind. The second question after the question of scandalous at the beginning of the interview, was: "But Government has taken part in this and there has been too much silence Minister, where is your open Government?" and what Mr Pilcher said, and I am sorry if this does not read well but this is, in fact, verbatim: "Well, the reason is that there are aspects, first of all, that the Government involvement is through GSL which is 100%

Government owned company. The fact that it is a commercial venture has, I think, already been explained in the House of Assembly and which we feel that where there is a commercial involvement then it is not a question of the Government having to go out and inform every single day of the different joint ventures and the different commercial decisions made by those joint ventures. Now, the fact that the Government has participation through GSL means that before GSL or any other Ministry, or any other section takes the final decision on the way forward, then it consults the Government because it is responsible to the Government and the Government is responsible to the people". I would have thought that that last part is the best argument I could have adduced for saying that is the reason you come clean. That is the reason, if you believe that a Cepsa venture is good for Gibraltar, you come out saying in a Press Conference: "Gentlemen, I think it is a very good thing for Gibraltar, it is not just that the Japanese and Americans are coming, the Spaniards are coming in a joint venture, we are happy to have this sort of relationship and this is the reason why I am defending it". But Mr Pilcher's interviewer squeezed from him, with a sense of reluctance, which is worrying, but that is open Government. In fact, by the time Mr Pilcher gave that interview, which was on the 9th February, he had been effectively a Director of both companies for nearly a month and it is clear that nothing would have become known to the public had it not been for the media getting hold of the story and an issue raised. That is not acceptable, Sir, and it is not acceptable even if the Government had not promised open Government, for us to be getting into commercial ventures with a Spanish State-controlled company without people being informed. What mockery of a democracy are we going to be living in? It is a nonsense to say: "It is GSL". It is a nonsense to say: "It is a commercial decision". The Government itself says that it is giving importance to the economy, 90% of its activity is economic and commercial but these are political matters too. Matters that this House and the people have a right to know and I am frankly surprised that the Government should have pretended to have kept this presumably quiet for as long as it could without positively defending its position. Leadership, and if I understand the philosophy from the other side of the House, is taking a stand and positively defending what you say. But on this issue the Government has been more than just on the defensive, it has been backbending, reacting to the events and eventually forced to give an explanation that when it came was very inadequate. The Chief Minister has commented on one occasion, possibly on more, that I am often easily scandalised and maybe it is because I have standards of behaviour that some Members opposite find hard to relate to but I can say this much, Sir, that if I had been a Government Minister on the Board of a Joint Venture Company that was doing a venture with Cepsa, as from early January and I had not gone to the people to say: "By the way, this is what we are doing", I think that would have amounted to a scandal and I think I would have been failing in my duty to inform the people of important decisions affecting them. Especially so after the

2nd February when the news became public, the news broke publicly and to have had to drag the information from the Government is completely unacceptable. The Government's handling of the whole matter, in fact, is a history of complete ineptitude and incompetence. The way it has dealt with the public has been quite inadequate and they have totally mishandled the whole situation. The position it has taken with the trade licence application that Oxy Limited was seeking, where Oxy Limited published its intention to apply for a Trade Licence and the various objectors: Shell, Mobil and BP, turned up and at the eleventh hour and 59th minute, with all the parties waiting to go into the room, an indication is given that the application is to be postponed and as far as my information is concerned, no real reason given. Mr Speaker, this situation from a Government-backed venture. What is happening? Was the application going to be refused that day and Government had to lobby support from members in the Committee? Or is it that they are rethinking the matter and maybe I am hopeful, maybe the matter has been rethought, but certainly it is a history of incompetence and ineptitude. When eventually Mr Pilcher did give his interview he made a number of points which I think should be highlighted and which, apart from anything else, demonstrates, in our view, the fact that he has failed to appreciate the problems and the obstacles that the whole of Gibraltar, virtually, has been repeating in the course of the last few weeks. One of the arguments used by Mr Pilcher in a general sense was that this venture was good for Gibraltar and that the Government's philosophy is to participate in commercial expansion and that therefore it is pursuing the Government's job which is to make money for the people of Gibraltar. We know certainly from the people in the trade, from Shell, BP and Mobil and even, indeed, from the Unions that have consulted their employers, that their view is quite different. Their view is that there is a very serious danger to jobs, to the continued presence of Shell by this type of venture taking off. Now, of course, Mr Pilcher or Mr Bassadone might have all the expertise in the world and maybe they would say that Shell, Mobil and BP are only protecting their own little corner but these people are companies in Gibraltar with employees: established here for many years; experiencing a legitimate view; people in the trade and it is clear to me that the commercial aspects of this have simply not been looked at by the Government in sufficient depth. Shell, BP and Mobil are large companies who do not easily take a stand unless it is defensible and they have backing on it. They are major employers, especially in the case of Shell, and they do not take this stand unless there is a good reason to do so. The Unions themselves have been largely supportive of this anxiety. They have said: "We are not happy, what is going to happen to our employees? How is Cepsa-Oxy going to work? Does Gibraltar need this?" A second point that arose and which is perhaps the most important, is the question of the conflict of interest point which is a point that I think the Hon Minister has, frankly, failed to understand or at least address properly. The point quite simply, for the record of course, is that how can you

have a Minister sitting as the Chairman of the Board of Directors of a company doing oil business if he is also involved in formulating the policy which regulates the whole industry? Because you are going to take a decision with your colleagues that you will know today and before anybody else gets to know of it tomorrow. You already know, Cepsa-Oxy already knows, and you cannot be wearing different hats, Mr Pilcher, you said that and I think that you had a legitimate reason for saying that.

MR SPEAKER:

Please speak to the Chair.

HON P C MONTEGRIFFO:

What you cannot now do is pretend that certain things are commercial and certain things are political. In fact, I think that Mr Pilcher, Sir, betrays his lack of conviction in that argument, in his answer precisely to that point, put to him by Clive Golt, when he asked: "But you have conflicting interests because you know what is going on, dictate policy and then compete with private enterprise. Is that fair for the Government to do?" Mr Pilcher's reply was: "No, Clive, I do not think there are conflicting interests because you see, it has to be understood that there is a difference between the commercial and the political. Now, the conflicting interest does not come into it because when I sit, and I disagree with what Mr Montegriffo said yesterday, when I sit on the Board of Oxy or I sit on the Board of Cepsa-Oxy or on any other Board, I am there representing the shareholders which are the Government of Gibraltar. And the Government of Gibraltar, their shareholders are the people of Gibraltar so when I sit on the Board, I represent the people of Gibraltar and therefore my main interest is to protect the people of Gibraltar, so my role is two-fold, if you like. One is to try commercially to make money, not for myself and let me add that nobody gets remunerated for the Chairmanship or Directorship of any joint ventures. My mission is to make money for the people of Gibraltar, but at the same time over and above that, it is to protect the interests of Gibraltar as a whole". Again, Mr Speaker, if there was any type of argument I could adduce for showing that precisely the commercial and the political are inextricably linked it is precisely this. Mr Pilcher sits on the Board representing the people of Gibraltar. How can a commercial decision taken therefore not be political? I think that what is happening to the Hon Member is that he knows that sometimes when black is black, there are no way out of arguments. There are no way out of arguments when it is clear that you cannot hold two things at the same time and say that it is not the same person holding them and try to pretend that there is not a problem. The interview also dealt with the question of competition and one point that has not come out too much is Gibraltar's own continued competitiveness as a bunkering centre vis-a-vis the position

in Algeciras and Ceuta, Sir, whereby if Cepsa controls Algeciras and Ceuta and has a very dominant position in Algeciras, if Cepsa are going to be in Gibraltar then, clearly let us not give any prizes as to where ships, if Cepsa has anything to do with it, are going to be directed. I do not think Cepsa out of the goodness of its heart is going to make money for the Gibraltar Government and send more ships to Gibraltar than it is sending to Algeciras or to Ceuta. The reason Gibraltar has been able to become competitive in bunkering is because it has offered a different service, a difference price level to the competition, our immediate competition in Algeciras and in Ceuta. One of the arguments that the Government may adduce is that "a lot of our oil comes from Cepsa anyway", and I think it is clear from the statements made by the industry that last year, for example, about a third of our oil came from Cepsa therefore the vast majority did not come from Cepsa, so this idea that somehow we are getting it from the same source is not true. Cepsa is one source but the majority comes from another source. Sir, with that type of background and with the Government's, frankly, mishandling of the whole situation, it is hardly likely that there has been a fairly strong or rather, a very strong public and popular backlash against this whole venture. If there is one matter in the nine months of Government, even over and above the joint venture with the factory in La Linea, I think it is the Cepsa-Oxy Venture which has actually had the effect of people stopping and saying: "Hold on, how far can I give the GSLP the benefit of the doubt?" "How far can I agree with them that this is no longer a problem?" I think the confidence in the Government, on this issue, has actually been put to the test in a serious way and just look at people's reactions. The industry, as I have said, are totally against it; the Unions are extremely worried; the Chamber of Commerce - and I am quoting from an article in Panorama on the 20th February - where Mr Seruya said: "I would like to add that in the particular case of the oil companies the views of the Chamber and of the Trade Unions coincide, since Government's attempt to enter the oil business will affect not only the oil companies but it will also affect the employees of those companies who have been pretty well treated in the past and who are now afraid that their salaries, their wages and jobs may be endangered by the Government's policy and it is really very sad to think that the Government should be doing anything like this". The press has also been against it in large measure. You just have to look at the people writing to the press, people commenting on the press and there is also another contributor in Panorama who says - this is Roving Eye - which I think is interesting: "Everybody has earned the GSLP's respect except for the Cepsa alliance, whoever I listen to says it is something we could well do without. In my judgement, if it is worth anything, many who were delighted with the thoughts of Joe, now feel a little disheartened or discontented with the issue". I think that is an accurate reflection of what people feel and rightly so. We know, and you know, that there are other representations being made by interested bodies and nobody is saying "what a marvellous

idea this is, what initiative and what drive the Government has had, what a brainchild it has had to come up with this". In fact, I challenge the Government to say who is in favour. I challenge the Government to come up with one representative body or one body of any weight of opinion, in Gibraltar, who has expressed the view that this is a good thing for Gibraltar, the best thing for Gibraltar. This is a case, Sir, of the Government being totally unresponsive to what people are saying. The Chief Minister during the last meeting of the House, in answer to a question on when the Economic Council would be set up, said that the Economic Council would act as a springboard so that there could be a feedback on Government's policies in the economy and the Government could judge how people felt through the Union and the Chamber. Mr Speaker, what is the point of a Council when the people who are going to be involved, the Chamber, the Unions, representative bodies, are all telling the Government now, without a Council: "This is bad, we do not want it". And the Government is saying: "Notwithstanding whatever you say I am still going ahead". If we are going to have a Council that is a facade then it is simply a cosmetic exercise and let us scrap the Council. But the fact remains that the whole of Gibraltar is saying 'no' to this and the Government seems hell bent, I think, out of a misplaced sense of pride or inability to recognise that we are all human and therefore sometimes we make an error of judgement and to say: "I am prepared to rethink this, I am prepared to take on board other people's views". This joint venture is not so dramatic for Gibraltar, it is not going to save us, it is not going to save Gibraltar. Now, the next element, Sir, that arises is the whole question of the political implications of the joint venture. It is one thing to have competition from Spain or from anywhere else and Gibraltar may regret or may not regret that. By and large, as Gibraltarians, I think that we are not afraid of competition but we are concerned because being a small place where we do not have the resources of a large country, with large companies, our ability to stop the wave of economic absorption is difficult. But one thing is that reality, the fact that we may be living in a competitive world especially in the EEC and another thing is for Government to be actively encouraging, through a Government venture, the incorporation into Gibraltar of a State-controlled Spanish firm. One of the arguments the Government may use is that "Well, by 1992 firms like Cepsa may come into Gibraltar automatically, we cannot stop them and therefore let us try and get into the act now and let us get 50% as opposed to giving them free rain in four year's time". Well, Sir, if that argument is going to be used right across the board, we might as well now plug into Sevillana and let us also have a joint venture with Iberia. The point is that surely what we are talking about is that 1992 may not happen in 1992 because if the history of the Economic Community is anything to go by, it may happen in 1995, 1996 or 1997. It may take time for all these liberalised measures to get through and we may have time to work things out. Secondly, Sir, the private sector may be able to have a venture with Cepsa and the Government may or may not want

to encourage that but for the Government itself to take the initiative now in advance of 1992 is wrong and bad for Gibraltar. What has happened to osmosis? What has happened to all the dangers of economic integration? Our role should be, Sir, totally the contrary, not to be getting with Cepsa into a joint venture but in fact trying to curb that type of competition as best as possible and Hon Members opposite have indeed argued this in their days in Opposition by saying that we needed either protective measures from the EEC and if those, sadly, are not possible now, then at least we can be intelligent enough to set up a series of administrative measures. Mr Seruya also mentioned this recently and which will help to protect Gibraltar on a practical level from wholesale incursion by Spanish firms. That is what we should be looking at. Let us start by protecting what we have at present, through the Trade Licensing system, through such other administrative measures as may be possible, and it may be a difficult battle, rather than simply getting into a joint venture which nobody in Gibraltar wants. Interestingly enough, recent reports in the Spanish press have talked about this motion and the extreme Opposition party in Spain are going to table a motion in which they object vehemently to much of the activity that Mr Bossano is conducting in a quasi foreign affairs scenario and, as far as I can tell, they are objecting to virtually everything except, as far as I can see, the proposed factory in La Linea and the joint venture with Cepsa. If that is anything to go by I imagine that that is the only thing that the extreme right wing in Spain is happy with. That perhaps should make us think how much that is good for us but certainly I would not have thought that if this was good for Gibraltar and bad for Spain, the Opposition party would have tried to chastise the Chief Minister for that initiative as well. Sir, in conclusion, I think people are asking: "Well, what next?" And what next in two aspects. One, what next in the context of what else is brewing, is that an Iberia Joint Venture? Is that the way out of the Airport Agreement, to have a Joint Venture with Iberia? We bring them in and therefore who is interested in the Airport Agreement if Iberia flies under a joint venture? Is that the type of thinking of the Government? Is there going to be a Sevillana Joint Venture? Because after all, if Cepsa is going to provide fuel to the Government and Government runs the Generating Station, then it is going to buy the fuel from Cepsa and what is the difficulty of buying from Cepsa and not plugging into Sevillana? The second point is the question of public disclosure and public information. We may still have another Cepsa venture occurring right now without anybody knowing about it. What has happened with open Government? What has happened to the promise of people participating in decisions? Of being told where we are going? I have said this already, this is a complete mockery. Come clean and defend yourselves if you think that it is a good policy but let us not find out from the press and then wait two weeks for Government to come out with a defensive and evasive statement. Sir, I think the Government believes that rethinking something and coming to a different decision is a sign of weakness which somehow shows a flaw

in the original reasoning and therefore to change their mind is a weakness and any sign of weakness is to be avoided. Here we have a set of seven men and one lady who are infallible, who in nine months have taken decisions that should not be questioned because their vision is so clear and our ability to criticise is so inadequate. Mr Speaker, anybody with strength of character, a Government with strength of character, recognises human frailty, recognises that judgement sometimes means that you get it wrong although most of the time one may think that it is getting it right. However if there was ever a case where the whole of Gibraltar, all interested parties, are saying: "Stop, this is it", it is on this issue, Mr Speaker, let them do what they will with the motion today, throw it out, amend it, butcher it, whatever they like but for the sake of Gibraltar, for the sake of the workers, for the sake of the companies, for the sake of people who have expressed their anxieties, rethink this one. Gibraltar does not need this venture with Cepsa. I am not convinced that the Government is convinced either and if Mr Pilcher's own reflection on television is anything to go by, if he is not convinced, if in his heart he is not convinced, then it cannot be right. Mr Speaker, you can tell when something is not right and I am asking the Government for the sake of Gibraltar to rethink this one, to pull out of this venture and to respond to the real anxieties and fears that have been expressed. Thank you, Sir.

Mr Speaker proposed the question in the terms of the motion as moved by the Hon P C Montegriffo.

HON J E PILCHER:

Mr Speaker, I will be the only contributor subject to the Chief Minister wanting to round up at a later stage. I suggest that in order for us not to have a repetition of what occurred earlier this morning when the Chief Minister was replying to the motion and then there was repetition by all speakers on the other side and perhaps it would be better for the continuity of the motion for Members on the other side to make their contributions before I speak on behalf of the Government. That is if they have something new to add, obviously.

MR SPEAKER:

That is up to the Leader of the Opposition.

HON A J CANEPA:

Mr Speaker, two points. First of all, Members on this side this morning were not repeating themselves. Some of them covered completely new and completely different territories, for instance, Colonel Britto covered a point which I did not even touch upon and I only touched, very lightly, on the questions which my Hon colleague, Dr Valarino, then

enlarged upon. We were very careful because we had the thing planned beforehand. What the Hon Member is asking for this afternoon is that we should all speak and then he should get up and reply, that is not a debate. That is not what debating is about. If no other Member of the Government wants to participate other than him, well and good, but I do not think that three or four of us should stand and one after the other go through our prepared said piece and then he gets up and answers on behalf of the Government. That is not a debate, that is not my concept of what a debate should be and it is not how I think matters should be conducted. We are dealing with a matter here this afternoon which touches on the Minister for Trade and Industry because trade is involved, does he not have anything to say? We also have a matter here which concerns the overall management of the economy for which the Chief Minister is responsible and only Mr Pilcher is going to reply because he is the Minister for GSL? Well, if that is what the Government is going to do, shame I say to them, let them do whatever they want.

HON J E PILCHER:

Mr Speaker, that was not my intention when I made the statement. My intention was because of what had happened this morning, and I do not want to go over this again because, obviously, the person responsible for this matter is me and I will not be able to answer points made by other contributors. Mr Speaker, what we could do is what I think used to happen when the AACR was on this side of the House and where we got Members standing up and not saying anything until eventually the situation was one where eventually the person who was supposed to speak would then make his contribution after we had lost a lot of time in the House. But be that as it may, I am quite happy to take the motion at this stage and, obviously, if there are any other points then the Minister for Trade and Industry or whoever else on this side of the House, can reply. I think that that will be the Chief Minister because, at the end of the day, he is the person responsible overall for the economy. Mr Speaker, Mr Montegriffo started off by saying that he had been very impressed by me in 1984 when he started his political career and he seemed to say that that statement of mine had stuck in his mind and he seemed to be sounding a bit as if I was his guiding light. His contribution today has been very incoherent and, let me say, although he prides himself in being a lawyer, now he also prides himself in being a psychologist as well because he now knows, by the look in my eyes and by how I expressed myself on television, whether or not I am honest in what I am saying. His contribution has also been incoherent because he has kept shifting from one position to another and then to another. I think his main attack, at least the way I saw it sitting on this side, has been basically geared towards the question of open Government. He kept on returning, every two or three minutes, to the position of open Government and I think if I was able to detach myself from my position and look at his speech,

I think the whole thrust of his speech has been on the fact that the open Government which we were promising has not happened. He has been coming back and forth towards the open Government every three or four minutes. At one stage, particularly at the end of his speech he was saying about the political problems related to the Spanish entities. Previous to that he had also spoken on the directors of Cepsa-Oxy and, I think, his words were "sitting with his Spanish co-directors" as if there was anything wrong in sitting with Spanish co-directors. Again, his gearing was one of, and perhaps he is a psychologist after all, trying to get the passion of Gibraltar vis-a-vis Spain/Spanish/ Spaniard into the argument and I think the lesser part of his contribution has been based on what I thought was going to be his major contribution, on the operation and how that could affect Gibraltar. I think these have been the three main elements, although, as I say, he kept shifting and changing from one argument to the other and as a result it has been difficult for me to try and keep up with his arguments. Basically, I think, the motion in front of us today, and I will tackle all the elements that Mr Montegriffo has expounded, is related to what his perception, and the perception of the Opposition has been, not only in this House but on previous Houses, and that is on their perception of the public unpopular backlash of what they feel is what the public in Gibraltar feel. I think it is a bit of a chicken and egg situation and what comes first? Does the worry of the people of Gibraltar come first or is the motion that is then brought to the House by, normally, the Hon Mr Montegriffo on the back of a trickle of worry and which he suddenly builds up into a major worry for the people of Gibraltar. I am talking about the public, I am not talking about the trade, which I will discuss in a moment. I think that is something which I always question myself and there is to be another motion on the adjournment and which also reflects what I am referring to. What comes first? The worry and then the motion or is it as a result of the worry or is it a trickle of worry and then the worry comes after the Opposition have presented a motion and blown it up out of all proportion? Let me take one point at a time. I am afraid that my contribution will be a bit disjuncted since I will have to go backwards and forwards to points that the Hon Member has made. Let me tackle the question of open Government first. I think there are various elements of an open Government. The Hon Mr Montegriffo referred to the interview given by the Hon Minister for Trade and Industry, Mr Feetham, and to certain comments made by the Hon Chief Minister and I feel that he understands the policy we have explained in the House and publicly but he does not want to accept that policy. So he keeps coming back to it in order to try and create this impression that we do not have open Government. The policy that we have expounded in this House before and which I stated in the interview with Mr Golt of GBC and which the Hon Member has left out altogether when he quoted from it and also when he read from an article in Panorama and it is very simple and, I think, has been explained on various occasions by the Government. The policy is that the Government

of Gibraltar believes that it can play a part in the commercial environment of Gibraltar through a system of joint ventures. Having got to that basic policy decision, and I know that not everybody accepts that policy decision, I think it was on a television debate in which the Hon Mr Feetham was present together with a representative of the Chamber of Commerce, but I may be wrong, the Chamber representative felt that the Government of Gibraltar was there to provide a service and the private sector were there to make the money and pay through taxes, but we do not agree with that policy and we have said so publicly. Whether the Hon Mr Montegriffo or whether the whole of the Opposition or whether other entities do not agree, that is the policy of the Government. A policy which we expounded before the elections and which we are now applying and we will continue to apply during the next four years. Once this term is over we will then be told by the people of Gibraltar whether the policy works or does not work and whether they feel we are doing a good job or not. Because it still escapes Mr Montegriffo that there is a Government and an Opposition and not a Committee system like he would like to see and therefore it is Government policy that is implemented. There are three elements to those joint ventures and we have explained them ad nauseam. We have had the situation of joint ventures where none existed; we have joint ventures in partnership with the private sector, and there are a few of those, and there is no problem. As an example of this there is Rent-a-skip or Rent-a-van which is a company that GSL has bought into, like Oxy to which, I think, the Hon Mr Montegriffo was referring to and there is no problem because it is the Government participating in an existing venture. There has been no problem, nobody has said 'unfair competition', nobody has said anything at all because we have an input in a commercial way with that company. The third aspect of it is in the elements where we feel that there is expansion. I can give the Hon Member one example of that, the Gibraltar Electrical Services Limited and which at the start there were certain misgivings in the trade which were saying that the market is well satisfied by the existing electrical contractors. We said that it was not that is was an expansive market, where we had a lot of Spanish contractors coming in and that the market was big enough for all of us and we have been proved right. In fact, today we are negotiating with other elements of the private sector, to expand the market and to liaise with one another, so there is no problem. I think the Cepsa-Oxy Joint Venture comes into this third element, which is the expansion market, but I will go into the operation of that in a moment. I am now going over what I consider to be the policy of the Government. The Chief Minister has already said publicly that any entity in Gibraltar or outside Gibraltar can approach the Government in order to create a joint venture. We have said that and I think we have been saying this since April. So everybody in Gibraltar knows the policy and to say "Why didn't you approach Shell in order to do a joint venture?" The answer, I think, has already been given. The Hon Mr Montegriffo did

not say that but that has also been mooted about. The answer, Mr Speaker, is that we are subject to anybody coming to us to propose a joint venture with the Government, that is the policy of the Government. Let us go back, for a moment, to two elements. One is the open Government syndrome which the Hon Mr Montegriffo keeps referring to and the other one is the conflict of interests. The Hon Mr Montegriffo did not, although it has stuck in his mind, really understand what it is that I said when I said "You can change your hat but your head is the same" because there is no conflict between what I said in 1984 and what I am saying today. What I said on television recently is that at the end of the day I am a Government Minister responsible to the people of Gibraltar who voted me in and if I am sitting on a Board that has a commercial interest and the interest of the people of Gibraltar should come into conflict with that commercial interest, at the end of the day, I will vote for the interests of the people of Gibraltar and my vote which, by the way, is the casting vote on all Government joint ventures because the Government in all its joint ventures has a controlling vote and a controlling element. I will make my decision based on what is best for the people of Gibraltar and this is where, I think, there is a difference between a purely commercial entity, ie if I was Chairman of a purely commercial business my role would be a business interest only. However, the role of a Chairman, who is also a Government Minister, is to look at the commercial interest of his business in relation to what is best for the people who have voted him in and there is no conflict of interests because at the end of the day the decision has to be what is best for the people of Gibraltar. So there is no conflict of interest however much the Hon Member wanted the people to believe that there is because there is not and when I use my casting vote in commercial joint ventures, it is done on behalf of the people of Gibraltar. It will be used not only to protect their interests but to make money for them as well. You went through all the dates.....

MR SPEAKER:

Please speak to the Chair.

HON J E PILCHER:

I am sorry, Mr Speaker. Mr Speaker, the Hon Mr Montegriffo went through the dates, went through everything, but what he failed to understand was that the Government was not ready to go public on the Cepsa Joint Venture because we had not taken any decision on the Cepsa Joint Venture other than linking up with Cepsa on what we thought could be a good joint venture. No decision had however been taken at that stage of what we were going to do or what we were not going to do. The first Board meeting only agreed the Shareholders' Agreement that gave the Government the controlling share and where Cepsa-Oxy became the trading arm of Cepsa in Gibraltar. I think there was not anything for the people

of Gibraltar to be told because we had not decided to do anything. But, of course, at that stage, because Gibraltar is a small place and the people get to hear about things, you have comments in the press, you have comments on television and then you get a backlash. What we would have liked to have done is as we have done with other joint ventures, we take the system through to where we have discussions and negotiations with affected parties not only outside Gibraltar but also within Gibraltar and then at the end, when we have total agreement and know what we are going to do, we go public. Mr Speaker, I could go public now on various matters and then have to come back next week and tell the people of Gibraltar: "I am sorry but when I gave a statement a week ago I did not tell you that there was not a final agreement and therefore this has now changed and this is the way we are going to do it now". Then the following week when something else changes, I come back again, by then they would think I was totally inefficient because I would be giving them information which had not been either agreed with the Board or agreed with the Government. When we talk about open Government, I think Mr Montegriffo who is a new Member of the House and I suppose we have to put up with him saying things like that, but for a person like myself who has sat over there and although I know that we cannot use the same argument time and time again, but for four years we did not get any information when money was being pumped into GSL and we did not even know why. It is really outright cheek - and I will not use the word that Mr Montegriffo used of "dishonesty" - it is outright cheek because today the Government of Gibraltar, when the time comes, will tell the people of Gibraltar everything that we are doing and when we are doing it. We will however choose the time and the people of Gibraltar will respect us for that. The time will not be when Mr Montegriffo or anybody else decides to put a motion in the House because somebody's vested interest is being affected. I assure Mr Montegriffo that before the Government takes a decision on every single joint venture entity, every single interested party approached. That is open Government. Open Government is not taking any decision that will affect the people without first consulting every single interested organisation and when you go public you go public and you are then able to tell the people of Gibraltar all that you are doing and all what you have done and then it is up to them to judge you. Let us look at the element of the Spanish side of the operation, Mr Speaker. Mr Montegriffo highlighted the fact that it was a Spanish company and whether that means that the Gibraltar Government should not do joint ventures with Spanish entities. I do not know whether it is because it is the Government because there are many companies in Gibraltar that have Spanish co-directors. He has just to walk around Gibraltar and see all the Spanish companies, it is not something that is new. It may be new in the mentality that the Government of Gibraltar should not link up commercially with a Spanish company. But having decided that that is what we are going to do, then whether it is a Spanish company or not a Spanish company is immaterial, because I assure Mr Montegriffo and

the people of Gibraltar that a Government like ours who does not want osmosis, who does not want the Brussels Agreement, who does not want cheap electricity, who does not want cheap water, will protect the interests of the people of Gibraltar in any venture. Because that is precisely the role of the Government Minister in that joint venture, to make sure that none of its joint ventures, and that is why it keeps its casting vote, that on matters of policy the casting vote is exercised by the Government to protect the people of Gibraltar. Therefore whether it is a Spanish company, like in this case, or a British company, like in the case of British Airports Services Limited, or any other company the same casting vote is exercised, because the Government wants to guarantee that it is protecting the people that voted it into the House. Why would we say politically - and I am referring to the Cepsa deal now - that we do not want to get cheap electricity from Spain and then make sure that we destroy Shell in the process so that Cepsa get a monopoly and then they can dictate to us, it does not make sense. It might make sense in the mind of Mr Montegriffo but in any true-thinking person, the public, that will not stick, because they know us, they know the Government, and they know we will not do anything to play to the tune of osmosis. So that to me is another red herring and whether it is a Spanish company, an English company, a Dutch company or whatever, the Government always keeps the casting vote. I think I have covered the two points - open Government and the Spanish element. I think we have now come to the question of the operation. I think this is, again, an element which the Hon Mr Montegriffo tries to push but I think he does not want to accept what the Government has already told him. What the Government has told him is quite easy and there is no question of the hiding joint ventures, Gibraltar is far too small to hide anything and nobody wants to hide them. We will make the decision when we want to go public on the joint ventures because when we do so we will be able to answer every single question. If on the 1st January or the 8th January or whenever I had gone public and said: "I am going to do a joint venture with Cepsa-Oxy" there would have been one hundred questions from the press and one hundred questions from the people of Gibraltar which I could not have answered because we were not yet ready to describe the operation and most important we had not discussed it with the people that mattered. Of course, something leaked in the press and they got hold of it and there is nothing wrong with that because that is the role of the press. We ended up with a situation of us having to try and answer questions which we really had not discussed with the people that it mattered. The policy of the Government is not to hide things, Mr Speaker, the policy of the Government is not to hide the joint ventures. The policy of the Government is, in fact, to advise the people of Gibraltar when we feel that the joint ventures are ready but what we will not do and which, I think, is what Mr Montegriffo would like us to do, is to be here in the House answering every single question on the day-to-day operations of the commercial companies. That is, I think, what the Chief

Minister meant when he said that we are not answerable in the House for GSL Joint Ventures or Joint Ventures that are 100% Government-owned. These are subsidiaries of those companies and I think that what was meant was that we will not be discussing anything related to those joint ventures but, of course, at the end of the day we will tell the people what that joint venture is making for the people of Gibraltar. That is what we will do. We would spend hours, we would spend weeks or months answering every single question about the operation of every single one of the joint ventures. That, I think, is the policy which has been explained. We are answerable here in the House for 100% Government-owned companies like we are answerable for GSL, we table the Accounts, we have to answer every single thing and we will, which is much more than the AACR ever did in the four years that I was sitting over there, we will answer every single question. When that company buys into a subsidiary then all we have to do at the end of the year is show the consolidated profit of that company so that then the people of Gibraltar will know how much money we are making or not making. We are prepared to do that but not answer for the day-to-day operations of those companies. That is what the Government said. The Hon Member can twist and turn every way that he likes but that is the reality. As far as the operations are concerned, I think this is the key and this is why I was saying before that we were not ready to make public statements on the operations because we were not yet ready to operate. Since the news broke we have had umpteen meetings with all the people that the Hon Mr Montegriffo has mentioned: the Chamber of Commerce, the Shipping Agents, in fact they came to see me; the Unions and Shell themselves and it is not a question of telling the Government to immediately withdraw from its participation in the venture, we will not withdraw from our participation in the venture because the venture is there and we have not done anything with it yet. We will see how far we can proceed with the venture in conjunction and in liaison with the trade, because we honestly believe that there is expansion in petroleum and petroleum products. I can tell the Hon Member for free that if he is so worried, he should not be, because I have had meetings with Shell over the last couple of days and we believe we can work together for the common good of Gibraltar. I suppose he can stand up and continue to tell people that we are going to stifle Shell and run them out of business. But we feel and we have been discussing matters with Shell, that we can work together. Now which is it? Is now Mr Montegriffo going to continue to say that we are out to stifle Shell when we are not? We have told Shell that we are not going to do that, we have told the Unions that we are not out to make sure that there are redundancies within the trade, why should we want to do that? So every single element that Mr Montegriffo has pointed out on the fears of the trade and the anxieties of people, are being tackled on a day-to-day basis by me and when I am ready I will then take that back to Council of Ministers which are my shareholders and we will decide how far we can go, what we will do and when we

have decided that, then we will make it public but not before. I cannot make anything public at this stage, and I assure Mr Montegriffo, for all the nodding of his head, that I will get the cooperation of Shell because it is in both our interests and I will reassure the Union that there is not anything to be afraid of and that at the end of the day we will prove that it is an expansive market which can take another operator provided we can protect three things that are basic: our self-sufficiency; the situation of the fuel tanks in Gibraltar that we do not want to put in jeopardy, and people's jobs and that is my role and that is what I am doing. So nobody has to be anxious because if they are anxious all they have to do is knock on my door and I will explain things to alleviate their anxiousness. That is what the Hon Mr Montegriffo could have done. He could have knocked at my door and asked me what was happening and I would have told him: "Well, nothing is happening, this is what we are doing but since no decision has been taken as yet, there is nothing to be worried about at this stage". He preferred to table a motion asking us to withdraw from something which had not even started and to go public and go to GBC and give the interview and then stir up everybody's fears. Every time something happens which is not understood, because part of the problem that I think we are suffering is that we are doing so many things that before we are able to complete something you get rumours galore, and then people add coal to the fire so that you have anxiety being created when there is no reason for anxiety. It does not really matter because I can assure Mr Montegriffo and Members opposite that we take our role of protecting the people of Gibraltar very seriously and we will not do anything that upsets any single entity. We will however not protect monopolies, we will not protect vested interests but we will protect Gibraltar. That is our role. Having said all that and having explained that we are now in negotiation with Shell, with the Trade Union Movement, with the Chamber of Commerce, I had a two and a half hour session with them and I understand their position and I understand their fears. I have spoken to Shell and I understand Shell's position, I have talked to the Shipping Agents and I understand the Shipping Agents' position, I have held a meeting with the Union and I understand their problems. I also meet the general public and I know the fears of the public. So I put all that into the melting pot and I assure Mr Montegriffo that what comes out at the other end will be something that is acceptable to all parties within reason. What Mr Montegriffo is afraid of, what the Opposition is afraid of, is something which they think will happen or that they wished would happen because I think if they could prove that we are pushing Cepsa in to push Shell out and to put Gibraltar in jeopardy then the people of Gibraltar would kick us out tomorrow. I think that is what the Hon Mr Montegriffo wants the rest of the people of Gibraltar to believe, that at every single stage we are doing something which is contrary to what we said, contrary to what we are doing, contrary to everything that we have said and that is not true, Mr Speaker. The situation is one that we take our responsibilities seriously. We believe in open Government

when the time comes. We do not believe in discussing joint ventures in the press because then I think Mr Montegriffo would be the first one, Mr Speaker, to argue that then the role of the House of Assembly is being undermined and this is why after the 8th February when he tabled his motion and although I had a lot to say I honestly - and he can believe me or not believe me - respected the position of the House and I did not make any comments other than what I thought was a necessary in an interview on television. Had I not done that it would have been assumed that everything that Mr Montegriffo had said was true. But apart from that, I have made no other comments in the knowledge that I was going to come here to the House of Assembly and discuss it here. Mr Speaker, whether or not we are right in the final decision that we take on Oxy and Cepsa-Oxy, and let us not forget that Cepsa-Oxy is a venture that is 50% Oxy/50% Cepsa but that the trading arm in Gibraltar, the only company that has asked for Trading Licences is Oxy and that is 50%/50% Gibraltar entities, GSL and Ginunco, but that is by the way. When we take a final decision of how Oxy and Cepsa are going to operate in Gibraltar then at that stage we will let the public know and then we will be judged over the performance of that company and what we do for that company like the AACR were judged when they signed the Brussels Agreement and the people kicked them out two years later. We will also be kicked out if the people feel that we are doing something which is not in the best interests of Gibraltar. It will be the people who make up their own minds up but not because the Hon Mr Montegriffo says so. I think the people of Gibraltar know that, the people of Gibraltar are mature enough not to believe what is, at the end of it all, the little lunacies of Mr Montegriffo, the scaremongering, yes I think that is a word that would certainly be applicable.....

MR SPEAKER:

I think perhaps you should withdraw it because I do not think that that is parliamentary language.

HON J E PILCHER:

If you feel that I should, Mr Speaker, I will be more than happy to do so and if Mr Montegriffo has taken offence I apologise. I did not mean it as an offence. What I meant was that it is a situation where I think publicly the people are certainly afraid not because they feel there is something untoward but because the Opposition, which are supposedly an important body within the House of Assembly, keep telling them that there is something untoward. Mr Speaker, I am looking through my notes just to make sure that I have not left anything out. The ownership of Cepsa, yes, because the Hon Mr Montegriffo kept referring to a state-owned company, Cepsa is not a State-owned company, Repsol is a State-owned company.

HON P C MONTEGRIFFO:

State-controlled.

HON J E PILCHER:

No, it is not State-controlled, it has got private sector interests and it is not controlled by the State at all. It is Repsol who is State-owned. Cepsa is a totally private company and it has got no State control whatsoever. Let me tell the Hon Member, Mr Speaker, that it is not true to say that the fact that Cepsa is a Spanish entity or a Spanish company necessarily prohibits them bringing the ships to Gibraltar to bunker them here because it might make a very safe commercial sense to do that because the Port of Gibraltar has got fees which are well below the fees of Algeciras and to drive the point home because that appears not to sound true, let me say to the Hon Mr Montegriffo, through the Chair obviously, that if he goes to GSL at this very moment and looks into GSL he will see a Cepsa ship in No.1 Dock, which has not gone to Cadiz but which has come to Gibrepair. Why? Because the rates there happen to be cheaper or because we are doing better workmanship at that stage. A purely commercial decision, Mr Speaker, not one to do with politics because it is in the commercial world and I think what I have discovered certainly over the last couple of months is that in the commercial world politics means very little. In the commercial world what matters is where can you get a better profit at any one stage and Cepsa will move their ships to Gibraltar, to Algeciras, to Ceuta or to Timbuktu if there is a better profit to be made and that is the expansion that we are trying to create. But, of course, as I have said we have not taken any final decision and the decision will be taken in conjunction with Shell, the Unions, the Shipping Agents, the Chamber of Commerce and anyone else who may be involved and when a final decision is taken of how we are going to operate we will let the public know. But until such time we cannot be judged because we have not decided what we are going to do and I think this motion, Mr Speaker, should be withdrawn by the Opposition because at this stage what they are asking us to do is something which we have not even started doing, Mr Speaker. Thank you.

HON G MASCARENHAS:

Mr Speaker, after having listened to Joe Pilcher, I am a bit confused as to who is the psychologist, Mr Joe Pilcher or Mr Peter Montegriffo. Quite frankly, I am certainly not a psychologist but I can say that even if I was a psychologist I have not been convinced in the slightest by the contribution of the Hon Joe Pilcher. I do not think he has convinced himself. His contribution, as usual, has been a forceful speech but, frankly, I do not think he is convinced of the arguments himself. We, on this side of the House, do not generally support the principle of the joint venture companies. However, on the question of the political worry

that we seem to have created, according to Mr Pilcher, and that by Mr Montegriffo going on television a mountain was made out of a molehill. Well, Mr Speaker, perhaps it is because being on that side of the House for four years we learnt a lot from the last Opposition and perhaps this is the quickest way for the present Opposition to get back into Government perhaps with a bigger landslide than the present Government. Mr Speaker, the Hon Mr Pilcher I think is kidding himself on the question of open Government. I do not know whether he has become infested with power that he does not see what is going on around him, that the complaints of people is that there is no open Government and that this is what they had promised and they are not delivering this. Perhaps, Mr Speaker, I must be living in a cocoon world but I am sure that I am not, I walk the streets more often than I used to and this is the feeling that one gets, including from many of the GSLP supporters. He mentioned controlling shares. In what world does the Hon Member live that I do not live in when people like Cepsa provide a little appetizer by giving you one little ship which is in No.1 Dock. Doesn't he realise that Cepsa are doing that as an appetizer in order to go into business? Doesn't he realise that the moment that the rest of the Dockyards in Spain start with a little foot on Cepsa's head that Cepsa will say goodbye to Gibraltar and that they cannot afford that? This is big business. Cepsa might not be one of the seven sisters as the big oil companies are called but they are certainly a very large company by Gibraltar standards. So I would give him a word of warning not to be too naive and to be wary of big companies like Cepsa because they are in the habit of putting politicians in their pockets here in Gibraltar and anywhere else in the world. The lobby officers in Washington that the Hon Chief Minister must know about, that all these firms have are very useful.

HON J E PILCHER:

Mr Speaker, if the Hon Member will give way. I just do not want there to be any allusions to the pockets.

HON G MASCARENHAS:

Sir, I did not mean it in that way. They do it very subtly and I am not accusing the Hon Member, I quite assure the Chair. Mr Speaker, but I think that they are ignoring the political implications of the deal, without going into the merits of the actual technicalities, I think, that the principle of the Gibraltar Government going into business with a major Spanish company such as Cepsa, notwithstanding the problems that that might create with Shell, Mobil or BP, is what we, on this side of the House, are arguing and what people in the street are saying, it is the principle of it. I cannot imagine GB Airways going into partnership with Iberia, I think that would be commercial suicide for them but yet the Government of Gibraltar can go into partnership with Cepsa, it is ludicrous. There are the possible

consequences to the sector that is here already and well established over many years that have provided very good employment. There have never been many complaints from the employees, particularly Shell, who have a large workforce and who I understand have always been very good employers. We are talking about the human feelings. The Government is missing the point completely for the sake of economic planning and perhaps eventually they think this might create a lot of profits but they are missing the main point and this is the political angle. Many of their supporters and I can assure Hon Members, I have friends who support the GSLP Government and I can assure them that they are making a very big mistake and I ask them sincerely for their own sakes to reconsider.

HON M K FEATHERSTONE:

Mr Speaker, I will be very brief. The Hon Mr Pilcher has said he will choose the time when he makes public joint venture companies and what have you. But the question of Cepsa burst like a nova on the night sky and lit up the sky far more than all the rest of the stars put together. This was a matter of considerable public concern and we are not as busy as the Government with their Council of Ministers every other day or every day, as I believe they have, we get around the streets and we meet the people and there was considerable worry and considerable concern over the question that GSL had gone into a partnership with the Spanish company Cepsa. If this has been done by Mr Pilcher, as Chairman of GSL, he has done it with the consent of his master, the Hon Joe Bossano, and therefore with the consent of the Government. Now, Sir, osmosis is something which the Government says they set their face against. Osmosis is a gentle procedure of a liquid passing through a membrane and setting up a slight pressure. But in this question of Cepsa we have not got osmosis, we have got a forcepump which is driving Gibraltar or some element of Gibraltar into the hands of Spain. We already have the company to be set up in La Linea and common verbiage around town is the Hon Mr Joe Bossano pro-Spanish or is he a very deep customer indeed. I do not believe the rumour that there is a joint venture company to be set up with the Banco Coca of Madrid for the Bank of Gibraltar. I do not think that is true but perhaps we will be informed of it if it does come about. Sir, open Government is something that the Government has professed will be their stand and in this instance they have lacked terrifically behind their promise of open Government. This is something which the public does not forgive them for. They have said that they hope to get 90% right and perhaps 10% wrong. Well, their joint venture with Cepsa is in the 10% that is wrong, they still have time for them to pull out and the sooner they do so the better.

HON LT-COL E M BRITTO:

Mr Speaker, equally my contribution will be short but I think a point has to be made that has not been expounded enough in what has come before. One small point at the beginning and that is that the more I hear speakers on the Government side the more convinced I am that there is an obsession with figures and an obsession with balancing the books which seems to override what one would normally term commonsense and arguments, in this case, commercial arguments. Having said that, I would like to consider in more detail the threat to the Port of Gibraltar that the joint venture and the possible development of the joint venture with Cepsa can pose. The Hon Mr Pilcher has talked in vague terms about it and we know that some 900 ships a year call at Gibraltar for bunkering and what he did not stress, although he said that - and he is correct in saying - the dues in Gibraltar Port are cheaper than Algeciras, what he did not stress is that this in itself does not bring ships to Gibraltar. That the overriding factor is the cost of bunkering and it is such a competitive market that ships actually contact Algeciras and Gibraltar on the day or a day before they are due to arrive to check the up-to-date price and then make a last minute decision to which Port they are going to go. The situation which is so finely balanced that at the moment - and the Minister may correct me and I do not think my figures are wrong - the consortium of petrol companies working from Gibraltar - Shell, BP and Texaco - are currently providing in the region of 750,000 tons per year whereas the Algeciras figure is very keenly balanced on 770,000 tons, there is hardly anything in it. On the other hand, Ceuta today is down to under 300,000 tons a year. Ceuta, which used to have a much bigger share than the others. Ceuta where Ibarola, one of the biggest Spanish companies, used to have a very large percentage is now on the point either of closing down or has closed down already. It has closed down because of competition from the Spanish mainland companies amongst which is Cepsa, based in Algeciras. As a result of this fierce competition on one of their own Spanish companies, which they have forced to close down, to monopolise bunkering from Algeciras and the situation is not difficult to see because it is developing into one where the bunkering will depend either on Gibraltar or Algeciras with Ceuta disappearing into something negligible. Therefore the danger of having the bunkering situation influenced or to allow it even to develop into a stage where it can be controlled directly or indirectly by Cepsa, through the joint venture company, becomes even more dangerous. I do not have any doubt in my mind that over the next three or four years we shall see Cep-Oxy, if it does develop and starts trading, showing a small profit by courtesy of Cepsa, because this was in their interest and there is no doubt in my mind that Cepsa will be in a position to influence prices, with respect to the casting vote of the Hon Mr Pilcher, in such a way that the calling of ships at one or the other Ports can be influenced in favour of Algeciras.

HON J E PILCHER:

If the Hon Member will give way. I did explain a moment ago in my contribution that all these factors are being taken into account. I am more than aware of the facts and figures that the Hon Member is stating.

HON LT-COL E M BRITTO:

I am glad for that, Mr Speaker, because this is precisely the point I want to stress, that it is such a vital point that it must be taken into account because if it is allowed to carry on to its logical conclusion. It would be a reasonable thing to withdraw from the venture so that this does not happen but the Minister is saying that the Government intends to go ahead, so although they are taking these factors into account they apparently do not consider them important enough for them to withdraw. What I am stressing is that it is important that Cepsa does not get into a position where they can influence the prices, because there is no doubt in my mind that if they do shipping will eventually end up in its great majority in the Port of Algeciras at the cost of Gibraltar. We have one further factor in the equation which has not been mentioned this afternoon at all and that is that we have 1992 round the corner by which date Cepsa will be in a position to set up in Gibraltar on its own account without needing a joint venture company anyway and if we allow Cepsa to come in now, if we back it with the Gibraltar Government, if we give them all the facilities, what is considered to be "unfair competition" by Shell and the other companies in Gibraltar, if we encourage them to set up and to build themselves up into a position of strength so that Shell may even possibly withdraw from the market, we will have a situation in 1992 where Shell and the other international oil companies will withdraw and Cepsa will be controlling Gibraltar and Algeciras and, as somebody has said today, no guesses as to where shipping will be going when that situation arises. Thank you, Mr Speaker.

HON A J CANEPA:

Sir, the Hon Mr Pilcher and no Member of the Government ought to be very surprised that we should bring a motion to the House on this matter at the first opportunity. We gave notice of this motion on the 8th February, two weeks ago. It should not surprise him that in a situation where the matter is of such great public interest that the Opposition should bring such a matter to the House. We are not in the situation where if we do not like what is happening in the political arena, we have another arm or we have another arrow in our quiver that can bring to a halt what we do not like how it is developing. If something is developing in a certain way and we do not like it we do not have another way of stopping it. And we are not doing anything different to what Hon Members used to do here during their period in Opposition

except that they were able to go much further because if they saw moves afoot being made by the Government or being made by any business interest in Gibraltar which they did not like, which affected the vital interest of the members, let us say, of the TWGU or any other union, they could have industrial action taken against the interest of that business venture and the thing would collapse. Their electricity was cut off; their mail was blacked and what have you. We are not able to do that, we only have a political weapon and the political weapon is here in the House and therefore it should not surprise them one iota that we use the House in order to air these matters. It should not even surprise them that more of us speak than what they do, again it is probably the kind of thing that also used to happen with the possible exception, like in the old days, I think that more than one Minister used to reply from Government benches because over a period of time that was the way that things developed, two or three Ministers used to take part in a debate. In any case, it has been a very useful exercise because even though he has not convinced us, Mr Pilcher has already, in some respects, by our having given him the opportunity here in the House to this motion, has given much more information certainly than has been given to the public in the last two and a half weeks or so. So from that point of view that is a good thing. He appeared on television, apart from that the press, Panorama and the Chronicle, got nothing on the matter and therefore it is not surprising that there were articles that appeared in the press. These newspapers were surprised that they asked questions and they did not get answers and it really was just not good enough to say: "Well, we are not able to give the answers because the thing is not operating". That is not a satisfactory answer and he knows that only too well. Let me tell the Hon Member also that we do not bring any motions to this House in order to defend business interests because, I think, that for the first time and probably to a greater extent than ever before, there is somebody leading the Opposition today and I myself as a Member of the Opposition, are in the unique situation of having to take no account whatsoever, to a much greater extent, I would say than any other previous Member of the Opposition. I do not have to take into account the views of my employers because I have none and therefore I do not have to defend their interests or worry about my taking a line or a position that is going to bring me into conflict with my employer, my employees or my members. I have none, I have no business or professional partners to think about nor do I run a business. I do not even have to register my profession as a school teacher under the legislation that the House has passed today because I am not practising my profession as a teacher. Therefore, when we take a decision to bring a matter to the House, we are guided, and I more than anybody else, by what is in the ultimate interest of the people of Gibraltar. I am answerable to my conscience, apart from my wife, the only joint venture that I have is my conscience and really I am answerable ultimately to the electorate. So far I have been returned at five elections,

the day that the electorate think that they no longer need Adolfo Canepa to represent them here in the House, well, thank you very much, I shall have to think what I do with the rest of my life and while I was here it was worthwhile. That is the attitude that I take, it could not be clearer. So there are no ulterior motives, other than political, for bringing a motion here, none whatsoever, I can assure the Hon Member. It was very interesting to hear him repeat once again the Government's policy on joint venture companies. "Of course", he told us "anybody coming to propose a joint venture company is free to do so and we will consider it". But what he has not told us is what about when the Government approaches people and say: "Here mate, you had better think in terms of forming a joint venture company with us or else", that he has not told us. What the Government's policy is when it happens the other way round, when they approach people and say: "Look, what about it, there are profits to be made out of this business, what about a joint venture company" or does it only work one way. Are the people given any choice and does the Government, in fact, give them any choice? Or are we going to end up with another joint venture company, perhaps, Rent-a-tug with Mr Feetham as a director of that joint venture company?

HON M A FEETHAM:

I can assure the Hon Leader of the Opposition that that will not happen.

HON A J CANEPA:

Sir, that is also quite relieving. But really the Hon Member has to accept that notice of this motion was given in a situation in which there was and had continued to be until today, a great lack of information and in spite of all the meetings that he says he has had recently and I do not know whether the meetings have been held because he took the initiative for those meetings or because people were up in arms and the workers at Shell went along to their Branch Officer and said to the Branch Officer: "Look here, who do the TGWU defend the membership or do you defend the Government?" And in that situation the Branch Officer had to go running to one of the Hon Members opposite - they do not need to run, they have access to No.6, like the TUC of old used to have when Labour were in office in No.10 and they used to love to be shown in photographs in the media going into No.10, these days they do not get past the barrier, of course - so why have the meetings been held? Insofar as Shell are concerned, were Shell told before? No. Before the company was registered that it was going to be registered? Of course not. It was when the whole thing blew up in the face of the Hon Member opposite that he had to call them along. And insofar as the Chamber of Commerce is concerned, the meetings do not appear to have convinced them. We have Mr Seruya, in spite of the fact that in the last paragraph

of the interview he is very conciliatory, we have Mr Seruya in the Panorama of two days ago making it clear that they are against this joint venture. In fact, the only joint venture that they seem to favour is the famous Reclamation Company. It remains to be seen what attitude the Chamber will adopt tonight. Whether there will be anybody from the floor because I hear that people who are against joint ventures instead of going to the floor to the meetings and fighting the matter out there, prefer to resign from the Chamber, which is a very shortsighted policy, they should go along and kick up a fuss really if they want their interests to be defended by the Chamber in the manner that they ought to be defended. If they do not agree, well, it is no use resigning. But we had a situation on the 6th February in which Panorama did report, a newspaper that has been, if anything, taking a pro-GSLP line at least during the nine, ten or eleven months or whatever of honeymoon of the new Government, and for the first time or only the second time have actually been probing the Government and disagreeing quite strongly with what the Government was doing and what the Government was doing was denying them the right as professional journalists of doing a job. They asked questions about the Government's interest in the joint venture company and it was reported that the Government did not want to know and Mr Pilcher cannot say: "The Government did not want to know because we did not know how it was going to operate". The story had broken as a result of investigations by the press and not by the Government releasing the information in any shape or form. And he has summed up the Government's whole approach to the matter because the impression that I think we, on this side of the House, and anybody that follows politics closely has is that had it not been for that investigative bit of reporting, the Government would have been shy of coming out with the information and if the story had not broken the matter would have gone much further, they would have had their operation ready and perhaps it remains to be seen without the extent of consultation that has been forced upon them. Of course, the revelation caused widespread consternation in town and not just to the workers who are likely to be affected or a commercial interest which is likely to be at the receiving end of what they perceive to be, for them, a clear conflict of interests resulting from such Government involvement. It also worried ordinary members of the public who are neither workers affected nor in business, who wonder and are surprised, and Cepsa may be a private company but Cepsa is a giant in Spain and it is a giant in Spain that is associated with the Government of Spain because the Government is able to control it in some form. Like Real Madrid is the establishment, Cepsa is the political establishment, it is a fact of life. That is the perception that people in Gibraltar have of the company.

HON J E PILCHER:

Barcelona.

HON A J CANEPA:

Barcelona are alright because they are more pro-Gibraltar, the Catalans are more pro-Gibraltar. We have heard a great deal this afternoon which I think has also been very useful and I hope what has been said on bunkering has given the Hon Mr Feetham some food for thought. My experience, particularly during the last four or five years when I was involved in an informal think-tank, every indication was that Shell were making very real efforts to be competitive. In 1982 or 1983 they were not competitive, since then we have also seen how Shell's previous domination of the market has been diluted and through the emergence of other companies and has brought welcome competition. There has been welcome competition without the need for Cepsa-Oxy to get in on the act. Now because the Hon Member opposite has, as yet not decided how they are going to operate, it is only natural that there should be concern as to how far the intervention of the new joint venture company, in dealing in petroleum and petroleum related products, is going to affect the market. It is natural that there should be anxiety on the part of all concerned. The Government does not seem to have any regard for the fact that a Government Minister is going to be a director of a company that is going to be competing with other well established companies in Gibraltar. Mr Pilcher, we have heard, takes the view that he is there representing the electorate and that is all. I think, Mr Speaker, that this must be viewed in a wider not just political sense. Clearly there is a conflict of interest because the Minister, as a Member of the Government, is able to formulate and implement policies with his colleagues that are going to affect the competitors of this joint venture company. It is not so much when he is meeting with the directors of the joint venture company, it is the overall role, the overall power that he has as a Minister to enact legislation, to implement policies, to take decisions that affect competitors of this particular joint venture company. The other thing, of course, that has to be borne in mind is that some of the oil companies already established in Gibraltar, Shell in particular, have over the years, and moreso of late, been investing a great deal of money to be able to compete by improving their storage capacity to be able to attract business away from Algeciras and Ceuta. I think it would be the acme of irony if Cepsa were to get that business back for themselves by operating in Gibraltar, by operating with the advantage that a joint venture company with Gibraltar Government involvement represents. In any case, Sir, apart from the aspects of unfair competition which the whole venture is fraught with, there is the wider political matter and I consider that the Government is being foolish to get involved in this. If companies that have been established in Gibraltar for many years, such as Gibunco, want to enter

into joint ventures with Spanish companies, that is a matter for them, they should be free to do so and it is a matter for their own commercial judgement. They are and should remain free to do so particularly in the EEC context but that the Gibraltar Government should be involved is quite another matter altogether because it also has serious political implications and what puzzles the public is that here we have again the spectacle of a party that when in the Opposition did not want to know about matters Spanish, now going out of their way, Brussels or no Brussels, to involve themselves with Spanish business interests for economic reasons of their own, losing all sight of the wider political dimensions of the whole thing. Let us suppose for one moment - it is a scenario which I think Mr Pilcher has already said it is not going to happen - but what goes through the mind of the public is let us suppose for one moment that Cepsa-Oxy succeeded over a period of time in ousting Shell and other petrol companies from what is a vitally important commercial sector in Gibraltar. And the question that people ask themselves is: "Would that not leave us totally exposed, totally at the mercy of a Spanish source of supply on a matter which is so vital to our economy as a supplier of petroleum, oil and so on?" "Of course it will not happen", they say but the matter cannot be seen in isolation because there are also reports in the Panorama that Spain is abandoning its policy of confrontation. We hear an official Spanish delegate for the Campo Area is to be named sometime in the future to facilitate the integration, including the installation of Gibraltar companies and industries in Spain, according to press reports in El Pais and Senor Ordenez is quoted as having a plan "seemed to increase Gibraltar's dependence on Spain, favourable treatment for the Gibraltarians that will make it increasingly difficult to defend a separate Gibraltar because differences will not be there to be seen". This is the background which has also to be kept in mind in judging this particular joint venture and in analysing the reaction of ordinary members of the public and the perception that they have of the whole thing. There is a danger if we are not careful, any Government of Gibraltar that is in power, there is a danger of falling into a trap set by the Spanish Foreign Office. Ministers are not private individuals, they have to keep that in mind. They cannot do as they like, they are directly responsible to the people at all stages and they cannot gamble with the political future and security of the people for the sake of pursuing objectives which are purely economic, for the sake of pursuing policies of their own which, there may be no serious political dangers in certain sectors, but in this particular sector it is seen as having political dangers. That is why, Sir, we call on the Government to withdraw from this foolish venture.

MR SPEAKER:

We will now recess for twenty minutes.

The House recessed at 5.10 pm.

The House resumed at 5.35 pm.

MR SPEAKER:

Does any other Member wish to speak?

HON CHIEF MINISTER:

Mr Speaker, I am just going to deal with some points that the Leader of the Opposition raised which have not been raised by the other Members and therefore have not been dealt with by my colleague. I think what other Members raised were basically a reflection of some of the arguments for or against the setting up of a joint venture with Cepsa which, as my colleague Mr Pilcher already stated, he is aware of the arguments and the extent to which the company will be involved in business will bear those arguments in mind and the arguments will be taken by him into consideration in determining what recommendation he makes as to what extent there should be any involvement or there should not be any involvement. But it seems to me that there were two aspects to the arguments put by the Leader of the Opposition which goes to the very root of Government policy and although I feel that I have really explained it on other occasions, as he has said since clearly they want to demonstrate to the people of Gibraltar that they are still alive and kicking, they are going to keep on raising the issues notwithstanding the fact that they get the explanations. The motion is, of course, one which has been described by the Mover as a censure motion and the Leader of the Opposition says that we may have been foolish in going into this area, all I can say is that if I had brought a censure motion to this House in the last sixteen years every time the AACR were being foolish I think I would have had a full-time job bringing censure motions and nothing else. In all the decisions that a Government has to take, and the Hon Member should know that better than me since he has been on this side for sixteen years, it is a matter of judgement and at the end of the day politicians are answerable for their errors of judgement and if they make any they pay the penalty when it comes to the polls and we are no different from any preceding Government in that respect. I know that the fact that the oil company is Spanish concerns some people but the Hon Member has qualified that concern at least from his side of the House as to the fact that it is a company in which two stages removed there is a Government interest that worries them because he has said that if the joint venture had been Gibunco-Cepsa instead of Cepsa-Oxy then Gibunco should be free to do it and they should be allowed to go ahead. Presumably all the risks of growth of Cepsa in the market at the expense of everybody else and of a monopoly situation cannot be lesser if there is no Government interest than if there is a Government interest because it must follow rationally that in looking at an investment the Government must ultimately be conscious of any risk that may arise from

that investment to the Government itself, to the people and to the economy of Gibraltar whereas presumably a purely private owned operation would not have to be concerned about these repercussions. So I do not see why it is that he thinks it is more dangerous for Gibraltar if there is a Government interest than if there is not a Government interest. I cannot for the life of me see that other than the other argument, which is the one that I think I must make clear we will refute and which is that there is something incompatible between the Government being the Government and the Government being an investor in commercial enterprises. Let me say that probably a lot of businessmen would agree with the Hon Member but we do not, because we do not think that there is a conflict of interest, because I do not know what it is that the Government of Gibraltar supposedly does to control oil companies or any other company for that matter. Certainly I can tell the Hon Member in case he does not know it that when Giboil was set up Shell was, in fact, concerned at the competition from Giboil and one of their concerns was the fact that the owners of Giboil were closely linked with the governing party because it was the General Secretary of the governing party that was the Managing Director of Giboil and they were wary that there might be conflicts of interests, at the time, which were of course unfounded, but there was very little the Government could do because to my knowledge the Government did not give any privileges to Giboil other than to give them a licence to trade and their success or otherwise in competition with Shell depended on their ability to obtain the necessary fuel and manpower and tugs and whatever to do the job and, in fact, I do not know whether they are still in operation but it may well be that they have not been able to compete successfully. There are two other operators involved in the business, who are not Gibraltar companies, and who have come in from outside and who have applied for licences to operate and the view of the Government is that although Shell is, in fact, very successful in bunkering in the Port there is no harm in more competition coming into the business and providing an alternative. That is, however, a totally independent issue from the Government's own thinking on its investment policies and on its investment policies. We do not accept that the Government's role is purely to run the public service and do nothing else. We are, in fact, very seriously concerned, as the Hon Mr Britto said, about the balancing of the books because regrettably the books are unbalanced. If we had a situation where the Government coffers were overflowing with money then we would not be concerned about where the future lies but, as I explained during the election campaign and since the election campaign, the thinking of the Government - and I remember saying this at the time in a political broadcast during the election campaign, Mr Speaker, was that the straightjacket in which the then AACR Government was caught and which we did not want to be caught in, was that they were under pressure on the one hand not to raise the cost of the public services either directly or indirectly and responding politically to that pressure and they were under

pressure on the other hand to improve them. So you have got a situation where people, as consumers, looked at the Government to provide improving services over the years but as producers they resist being asked to pay more for those improvements and if the Government has only got taxation as a source and the provision of services as an expenditure, and it is spending £78m a year and has a salaries and wages bill of £42m a year, then it is caught in a situation out of which there is no escape. In looking towards a future solvency for the Government we thought, well the only sensible thing to do is that the Government must create a fresh source of income by participating in the expansion of the economy of Gibraltar and, in fact, because of the involvement of the Government itself in participating in the economy of Gibraltar, we expect the rate of growth of the economy to be bigger than if we were not participating. So if we look at the economy and we say: "Without the Government itself getting involved in investment and getting involved in the creation of new economic activities, the economy will grow by X" then logically if the Government gets involved - and we are not talking about taking away business from somebody else but increasing the total volume of business in the economy, then the results should be X+1. So we are projecting a rate of growth of 12% per annum which we will not be able to deliver if we actually did what some business people think we should do and what the Opposition appear to think that we should do which is not get involved in business ventures. We would not be able to achieve that 12% of growth by simply sitting back and letting the economy perform by itself. We went to an election saying that that was not the right thing to do. We have rejected the view of the Hon Mr Montegriffo that the economy just needed fine tuning. We will be judged not by our failure to do what we said we would do but whether having done what we said we would do we make it work or we do not make it work because that is the essence of being elected on an election manifesto, you then go in and you try and deliver what you said you were going to deliver and then people will judge you by whether you do it or you do not, not by whether you have changed your mind a year after being in Government or a week after being in Government. It is obvious, and again I do not need to give any lessons on this to the Hon Member opposite who has been sixteen years in Government, that every time - and I have explained this, again, also in the House of Assembly, Mr Speaker - every time you even consider the possibility of doing something within a matter of minutes somebody is already telling somebody else in the strictest confidence and on a vow of death, that nobody must know and, of course, the more qualifications they add to the thing not being passed, the more that it will guarantee that it will pass like wild fire throughout Gibraltar except that every time somebody tells it to somebody else, under vows of secrecy, they add a little bit more to make it a little bit more exciting. He knows that as well as I do, I did not realise it was so bad until after we got in but he must know that better than anybody else because he must have experienced it hundreds of times, I imagine, when somebody has stopped him in the street and

said: "Why are you doing this?" and he has had to turn round and say: "Well, I am not doing this, this is the first I hear of it". And then he can track it back to some chance remark he might have said to somebody and see the eventual end result of that being exaggerated. It is also true that there is an element in the psychology of Gibraltar and of our people which needs to be changed and that is that notwithstanding the fact that there was a desire for change which was clearly demonstrated in the election, and that he went along to an election campaign promoting the idea of the need for change, and notwithstanding the fact that we are constantly preaching that change and survival go together and that unless we are prepared to be more adventurous and show more initiative and accept changes in the ways that we have always been doing things, whether within the public sector or in the private sector, unless we do that we are not going to survive. We emphasise this all the time and what we find is what is to be expected, that everybody agrees with the change except the one that affects him and everybody says it is a wonderful idea to have change but not in my little corner of Gibraltar. So we want the changes everywhere else except to ourselves or our sphere. I think the difference is to what extent should we pursue policies that we believe to be the right policies and the good of Gibraltar or to what extent should we allow progress to be halted because of these reactions? And the answer is that it does not mean we are going to be right every time, I have already said that, and it does not mean we are never going to make any mistakes and I think we would need to be perfect, Mr Speaker, if we spent four years in Government without ever getting anything wrong or ever making a single mistake but it is a matter of judgement for which we have the responsibility and for which we are being paid and that is to take decisions and we will take those decisions. We will weigh the arguments that are put, whether the arguments are put here in the House and if the Opposition brings a motion to the House in order to condemn the Government and censure the Government, either they are doing it because they feel that that will gain them votes or they are doing it because they want to bring to the notice of the Government arguments that they feel may have escaped us and we are, in fact, grateful for any arguments that they bring to the House that they feel may have escaped us, even if they have not escaped us because perhaps some of them might not have been brought to us already although as a general rule I imagine that most of the people who have been to lobby them are the same ones that have been to lobby us already. Because notwithstanding the fact that we spend an awful lot of time in our offices we still get people queuing up to bring us their grievances, their problems, their discontent and everything else and we do see everybody. The situation is that in looking at this particular joint venture the Government will be taking into account, as my colleague has already said, the arguments that are put to him by different people who argue for some sort of limit on controls or changes or whatever and at the end of the day the Government will decide what it considers to be the best way forward on this and on anything else.

However, Mr Speaker, what must be made clear is that we are committed to a particular Economic Programme which involves investment in a range of economic activities which require certain fundamental things to be achieved because otherwise we will not achieve the rates of economic growth that we have set out to do which we will do, as I said in my New Year Message, if we are able to carry people with us and we are able to persuade them that this is the right thing to do. If we cannot do this then at the end of the day, in four year's time, the targets will have been missed but they will not have been missed by us and they will not have been missed because we have got cold feet and backed out. They will have been missed because we have been incapable of persuading other people of the logic and the rationale of what we are doing. I therefore have to say that we reject the criticism of the fundamental policy and I also reject as total nonsense any question that this is osmosis. In fact, I think when you use a pressure pump in the process you do it to create reverse osmosis which is what I think PSA is doing with their reverse osmosis plant. In fact, the osmosis is when it goes through the membrane in one direction and the reverse osmosis. It has been quite correctly identified by the Hon Mr Featherstone that this is what we are against and which is when you use the pressure pump to push it in the other direction. We are looking at it on the basis that we have a clearcut necessity to do something to cure the economic problems that we have inherited. In a previous motion in the House we were told in relation to the withdrawal of the Forces, that the British Government should be made aware of the needs we have for money for housing and for hospitals. We do have these needs but they are not all needs that have appeared in the last twelve months, we have them because they did not happen before April, 1988, and it is clear that we are not going to do them all between 1988 and 1992. However, we are going to do as many as we can and the more money that we can achieve the more that we will be able to do and the more that we will be able to do and the more that we will be able to achieve the happier the people will be with the performance of the Government because, at the end of the day, that is what they will judge us by, by what we are able to deliver, not by pie in the sky, not by models of things that never appear but by concrete, bricks and mortar. That is the commitment that we have, to produce a Gibraltar for the people of Gibraltar of which they can be proud and if we fail in the attempt it will not be for want of trying, hard work or commitment. We are not going to do all that just to hand it over to the Mancomunidad or the Junta de Andalucia or Madrid, the Hon Member can be assured of that and he can sleep tight.

MR SPEAKER:

If no other Hon Member wishes to speak I will call on the Mover to reply.

HON P C MONTEGRIFFO:

Mr Speaker, I must congratulate the Leader of the Opposition for drawing Mr Bossano out, against what was obviously his initial reaction and to that extent he is prepared to amend his previous judgement on whether he should speak or not. Quite frankly, he could have saved himself the bother because if I thought Mr Pilcher's contribution was weak and inadequate, I think, he at least attempted to deal with the issues that this motion raises. The Chief Minister, however, has not done so at all, we have had this whole rhetoric, all over again, about the people of Gibraltar, that they are going to make money, that the Mancomunidad is not going to take this away from us, I appreciate that there are a few people in the Gallery but not so many. I will deal with Mr Bossano's comments subsequently but both contributions from the Government side have been very inadequate and have failed to appreciate the points that we from the Opposition side have been trying to make. The first point I want to address arising from Mr Pilcher's contribution is the question of open Government. The way he has dealt with the matter is totally unacceptable. I do not think Mr Pilcher or the Government understand what we are talking about when we say open Government. He said open Government means consulting those people that have an interest in any particular matter. Mr Speaker, were all the companies, all the trust firms and all the company administration firms consulted when Government decided to increase the fees for a company's incorporation in Gibraltar? No, Mr Speaker, and as you well know and I well know they subsequently complained because there had been no consultation. Was that open Government? Has the Chamber of Commerce or anybody else been consulted before the Business Registration Ordinance was passed in the House today? I tell you they have not been. I spoke to Mr Seruya yesterday and he did not know a thing about this. Is that the type of open Government we are talking about? Were the Unions consulted? With regard to the Income Tax (Amendment) Bill that caused so much controversy, was the Chamber of Commerce advised of it before? No, and did it make any difference? No. At a later stage they tried to make a fuss but not before. Now this venture, Cepsa-Oxy, was set up early in January, was Shell, the Unions, Mobil or BP told about it before? Of course they were not. It is a mockery to talk about open Government meaning consulting people who may have an interest before they proceed. There has been nothing of the sort at all. In the four examples I have given things have happened and people have subsequently reacted, after the event, when things have come to light. Mr Pilcher has also made the point that the motion is premature because nothing has happened yet. Well, in fact, two points - the motion says "the proposed Government interest" so technically speaking the motion is correct in that it talks about the 'proposed' interest. In any event, Mr Pilcher is a director of a company in which Cepsa has 50%, if that is not already a joint venture I do not know what is. It may not be completely finalised as to how far the operations of that

company are going to go but to say that it has not been decided upon, in principle, is rubbish. In fact, for them to say, Mr Speaker, that they will not come out publicly with things until everything is finalised goes totally against their recent behaviour in other things. We have heard about the £300m airport, is that finalised? My God that is not finalised that is just flying in the air as well. We have heard about a tram service for Gibraltar, when they went to Nice, is that finalised? No, but they have come out publicly about the tram service. They have talked about a road all across the Upper Rock that the Japanese are going to build. Well, why did they not keep quiet until that is finalised? Mr Speaker, if the criteria was that no information is given publicly until the whole thing is sewn up, my God we have had castles in the sky that should already have had the foundations in the earth a long time ago but the fact remains that when the Government wants to have airports and it wants to have trams around Gibraltar even when at a very preliminary stage, way before anything like Cepsa-Oxy, it has no difficulty in coming out publicly and saying: "We are doing these marvellous things and we are pressing ahead". Mr Pilcher made the point that "what is so scandalous or what is so alarming about his being co-director with so many other Spanish directors in the company?" Well, it is, in my view, quite novel and therefore alarming for a Government Minister to be in venture with a Spanish company. It may not be remarkable nowadays in the commercial world for an individual or a company to have Spanish co-directors, but for a Government Minister to be in a Board with Spanish representatives and in a joint venture with a Spanish firm is novel and therefore requires public debate. It is not simply a normal matter, let us not kid ourselves and clearly is something totally different. Mr Pilcher, I think, tried to explain the position by saying: "This is just part and parcel of the general position on joint venture companies where we will come clean once everything has been finalised and once a decision is taken", but I think the Government has got its wires crossed, I am not sure if Mr Pilcher is right or Mr Feetham is right. Mr Feetham's line appears to be, that in any respect GSL companies are not something that the Government is answerable for and therefore not something that they have to come to the people whereas I think what Mr Pilcher said was that they will come to the people and explain fully once the thing is finalised. Well, the fact remains, as far as I am concerned, there is no real convincing reason why in something like Cepsa-Oxy they have not come to the people and explained their position before finalising matters. With regard to the point on conflict of interests this is totally misunderstood by the Government. I am not now sure, Sir, whether they understand the position but do not want to recognise that fact or whether quite genuinely they believe that there is no incompatibility. The Chief Minister has said that some businessmen would take the view that it is incompatible but they do not take that view. This is not just a question of investing in a company. It is a question of decision making where in the Board itself a Government Minister also has a say. People in the business,

the Shell Manager came out publicly, a major company in Gibraltar came out publicly saying: "This is a blatant conflict of interest". And he is not saying it only - I am prepared to accept his integrity - because of commercial protection of his own position. You cannot have a Government Minister on the one hand sitting in a commercial capacity in a competitive situation with other companies and also being involved in formulating policy. I am sorry, that is in clear conflict and I do not want to pass judgement on whether the point is either understood but neglected or the Government does not fathom that point. Mr Pilcher said: "I was voted to make money for the people" or words to that effect. Well, that is not what he was voted in for, he was voted in maybe to make Gibraltar more prosperous but making money is not the only criteria, it is how you make money. Are we going to ruin other elements of the economy? Are we going to have enormous political dangers creeping in, in your bid to make Gibraltar more prosperous? Is Cepsa-Oxy in any event so important to this whole equation that we cannot go ahead with other ventures that the Government may feel are also relevant without the Cepsa connection? The Minister also said that in any event people must not worry, Sir, because they know the GSLP and the GSLP can be trusted by them because they know that the GSLP will never want to have osmosis, will never want to sell Gibraltar to Spain and that they are here to protect the people of Gibraltar. Mr Speaker, I should hope so but that is hardly an element of comfort. If any Member of this House is here to do anything else, well then let us resign. I would accept as an assumption that you are here to protect the interests of the people of Gibraltar. The point is that in trying to protect that we conceive you have made an error of judgement in how you can best defend that position and you cannot do it because you are putting yourself in an impossible situation and you will come to regret that decision and the Government will be worse off for it at the end of the day. Mr Pilcher also said that I could have knocked at his door and he would have given me full explanations of the whole matter and that that could have been a way of dealing with the matter. Mr Speaker, again, he fails to understand one of the fundamental points we are making. It is not for me to know, I am not the only one who is interested, it is Mr Perez and Mr Smith in Varyl Begg and Humphries who need to know and if it were not for the press they would not know. I do not want to have a meeting behind closed doors with Mr Pilcher. We are talking about public debate and here we have a major situation where the Government's explanation has been dragged out, squeezed out reluctantly. Today we have had two inadequate contributions, the Chief Minister to save the day, has tried to put in his moral ways to see whether he can further the arguments on behalf of the Government but this is not the type of democracy that Gibraltar aspires to. There is then, of course, Mr Pilcher's final comment that it is the Opposition who should withdraw this motion. Well, I suppose really it brings a smile to our faces in that here you have a situation where you have a joint venture already incorporated, a Government

Minister on a Board with a Spanish company and what the Opposition is saying is that we are condemning this proposed venture and all we get out of it is "Nothing has happened yet so withdraw the motion". This is as far as you can go in insulting people's intelligence and, clearly, the motion is relevant today, thank God, because it appears that the Government is rethinking its position from the indications that we have had from Mr Pilcher in some disguised way, the Government is saying: "We have got the company but we are going to see how far the company is going to operate". So to some extent we have been able at least, at this presumably preliminary stage, to get the Government to rethink or curtail the activities of this company. To that extent it is to the good. What do they expect us to do bring a motion when they issue a Press Release saying: "It has all now been agreed, it is all tied up, now bring your motion". That would be a ridiculous situation. If anything we must bring a motion to try to exert, if not pressure, some form of rational argument to make them think the whole process. I will now turn to the Chief Minister's contribution. The Chief Minister purported to open the debate to the whole question of joint ventures and this debate is not about all the joint ventures, our position on joint ventures is well-known, and is that those that compete in the private sector with existing businesses we have reservations about and those that bring in a new element, like the Land Reclamation Company, we think are valid. This is a new and separate issue, the Cepsa issue. This is not a normal joint venture, this is not a joint venture with a Danish company or with a Gibraltar company. This is a joint venture with a Spanish company and this raises implications that cannot be glossed over simply by saying: "We want to make money for the people of Gibraltar". Let us make money for the people of Gibraltar by plugging into the Sevillana and then we will cut our electricity bills by a half or a third. Of course, we do not want to do that because apart from the economic consequences there are other important factors. When it comes to Spain a special sensitivity is required and a special way of dealing with the matter. The Chief Minister also seemed to argue that the two-stage detachment, Oxy and Cepsa-Oxy, somehow was the course of some comfort because the Government was not directly responsible. Well, I hope that I made it clear from my earlier argument that that view is a complete distortion of the truth. The reality is the Gibraltar Government influences events right through and the mere fact that the Minister has a casting vote in Cepsa-Oxy is an indication of Government control at that level at the very end of the day. What comfort do we derive from a number of intermingling companies? The Chief Minister also said that people have to understand that unless we change and have progress that Gibraltar cannot survive because Gibraltar needs the self-sufficient economy. Well, Mr Speaker, everybody is for progress and we support progress, in fact, who is going to say no to progress but this is all rhetoric that does not take into account the issue at stake. If, in fact, we want a self-sufficient economy the reason for that, as I have

understood it always, was a self-sufficient and independent economy not necessarily, Sir, as a means in itself or as an end in itself but because it would give us a sense of political independence in that if we could take decisions for ourselves from a position of strength. But what sort of economic independence do we have if we are linking up with Spain on a joint venture on a factory and on a joint venture with Cepsa? Have a joint venture with BP, have a joint venture with a French company but not with those very people whom you are trying to protect us against otherwise what you are doing is helping the whole process of dependence on Spain. Self-sufficiency and independence means ultimately having an economy that can withstand pressure from Spain if that ever comes again. The Chief Minister has completely ignored the whole question of democracy and open Government and maybe the reason why he ignores that is that it has been dealt with by Mr Pilcher. But it is a matter of serious concern, I would have expected him to have made some comment. My concluding remark, Sir, is that I think that the Government is going through a rethinking process. It appears to me that the extent to which this joint venture was going to be operating before, to some extent, is going to be curtailed or the matter is still in the air. For that I am grateful and I am not sure how far we are responsible for that but the fact that the Government is rethinking shows that this is not just a trickle of public opinion, this is not just a little leak which we are converting into a flood. It is an important difference of opinion that the vast majority of sectors in Gibraltar have with the Government on this issue and if we manage, at least, to mitigate the damage by not having this joint venture to the extent of the Government's original intention that would have been some success. Thank you, Sir.

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

The Hon K B Anthony
 The Hon Lt-Col E M Britto
 The Hon A J Canepa
 The Hon M K Featherstone
 The Hon G Mascarenhas
 The Hon P C Montegriffo
 The Hon Dr R G Valarino

The following Hon Members voted against:

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

The following Hon Members abstained:

The Hon E Thistlethwaite
 The Hon B Traynor

The motion was accordingly defeated.

ADJOURNMENT

HON CHIEF MINISTER:

Mr Speaker, I beg to move that the House do now adjourn sine die.

Mr Speaker proposed the question and in so doing informed the House that the Hon M K Featherstone had given notice that he wished to raise, on the adjournment, matters relating to the question of the clamping of vehicles in an indiscriminate fashion and towing away thereof.

MR SPEAKER:

I will now call on Mr Featherstone and in so doing may I remind the House that a debate on the adjournment is limited to forty minutes and that there will be no vote.

HON M K FEATHERSTONE:

Thank you Mr Speaker. Some four years or so ago when I was Minister for Public Works, I got my Department to design clamps to put on the wheels of motorcars, so that we could institute a procedure under which cars which were blatantly badly parked could be clamped and their drivers would have to pay a £25 fine to have the clamp removed. This system was implemented about three years ago and worked reasonably well for a good period of time. However in recent months the clamping of motor vehicles has been taken over by a Company set up with Government approval called Gibraltar Security Services Limited and they have been clamping and towing away motor vehicles. This has become a matter of considerable public worry and I have had quite a number of representations expressing concern at the manner in which the Company seems to be operating. It seems that the Company is more interested in raising revenue by clamping and towing away vehicles rather than confining itself to those vehicles that are really creating a traffic problem by being badly or inadequately parked. This is very noticeable in certain areas of Gibraltar and one of these areas is the Willis's Road and Moorish Castle area. It would seem that the imposition of clamps ceases at 9 o'clock at night and I would submit that it would be a sensible idea, especially in the Willis's Road area which is close to the hospital, if the clamping in this area could cease at 7 o'clock at night so that persons who wish to visit the hospital were able to leave their car parked within a reasonable distance of the hospital itself. At the moment, there are a series of areas in Gibraltar which are called blue zones, where you have the double yellow line with the blue line in the middle, and if you park in any of these areas you are liable to get clamped. The entire length of Willis's Road is practically a blue zone and it makes it extremely difficult for persons visiting the hospital to be able to park somewhere reasonably near the hospital without the risk of getting clamped. It seems that the Company undertaking the clamping is just waiting for the unwary driver to park his car and immediately clamps the car. So Sir, I would submit that the Government should inform this Company that they should take a little more care as to the amount of clamping that they do and that they should not clamp after seven o'clock at night and particularly in the area of Willis's and the Moorish Castle Estate they should be more tolerant. The Company should also be informed that whereas clamping is something which is a reasonable deterrent in normal circumstances, it should be used with a modicum of discretion and not as indiscriminately as it is at the moment. Thank you, Mr Speaker.

HON A J CANEPA:

Sir, I would like to highlight, in perhaps slightly more graphic fashion, the problem which my Honourable colleague, Mr Featherstone, has raised regarding the area around the hospital. Our objective in bringing the matter to the

House, this evening, is to ask the Honourable Mr Juan Carlos Perez, who I know does take an interest in this matter, once he has been made aware of the full extent of the problem, to discuss the matter with the Police or with those concerned with the view to try to find a reasonable solution to what is a difficult problem. I have lived most of my life up at Willis's Road. I know the area intimately, I also know the area of Moorish Castle very well, where my parents have always lived in that area. Moorish Castle Estate has a particularly difficult parking problem, probably a more aggravating parking problem than any other Estate in Gibraltar, perhaps even including the Varyl Begg Estate. I say that because whereas in the Varyl Begg Estate it is possible to go into the Estate by one entrance and exit through another, through a different place and there is also a very large adjoining area to the Varyl Begg Estate, whilst in Moorish Castle area that is not the case. At Moorish Castle the entry point is also the exit point and it is very aggravating for car owners to go in, drive around the Estate, making life difficult for themselves and all concerned, and then have to leave the Estate. It is a particularly difficult area and it needs a great deal of care and sensitivity. We come now to the hospital. Over the years, visiting the hospital has been a particularly hazardous operation for anyone having to use a car. I say anyone having to use a car, because sometimes if people live in town it is perhaps easier to walk up to the hospital. But if you live out of town and you might also have to bring elderly people to visit someone then you might use a motorcar, there is no other way of doing it. I have known over the years from living up there what difficulties are posed by people parking their cars at Willis's Road. Sometimes obstructing owners of garages and very often those that visit the hospital know that they are obstructing garage owners. What they do is they leave the car door open and the key in the ignition so that the car can be moved to allow access to the garages. It is a particularly difficult problem. I can tell the Honourable Member that where a patient is very seriously ill, and I have had personal experience of that, and you have to visit the hospital, not just during the normal visiting hours, you may have to visit the hospital throughout the day because you are being allowed to visit the hospital throughout the day because a relative might be very seriously ill, it becomes a particularly difficult problem to arrive there at midday, to arrive there in the early afternoon, to go and see a dear one who is very seriously ill and to have a problem with the car and not to have any choice but to use the car. We are also now in the middle of winter and it can be very wet in Gibraltar and if you want to visit a relative, it is no good saying that you just leave home a kilometre or two kilometres away and walk up there. That is not and cannot be the answer, when weather is particularly bad. I know a number of people in that area, garage owners, and I have been able to come to arrangements beforehand by phoning these friends of mine and saying "look, do you mind if I park

my car outside your garage, I will leave the key in the ignition if you need to move it". If you are able to do this fine, at least you could do that two or three months ago but not today, if one were to do that you would come back and find that your car has been clamped or towed away. I have also heard of instances, in that area, where people who may be visiting relatives late at night, perhaps having gone for a cup of coffee or a meal and finding their cars clamped. I think there are other areas in Gibraltar which are obviously suffering from the same problem of excessive clamping but in this area it is a particularly dramatic one, I think, because of the hospital and as such needs to be given very careful attention. Gibraltar has a well known serious parking problem and no Government is able to work miracles overnight. In the days when the Police were responsible for clamping and towing away the matter was treated in a much more low key fashion. I do not know why it is that Gibraltar Security Services Limited appear, of late, to have become I will use the word

"more aggressive" in clamping and in towing away vehicles. The matter is causing concern in various parts of town. We have had representations from a number of people and I would like to pass them on to the Honourable Minister for Government Services for him, as I say, to discuss the matter with Gibraltar Security Services Limited and see whether what is in itself obviously a legitimate function, which the Traffic Authorities must have recourse to, can be toned down considerably and whether the approach can be a more discretionary approach that does take into account the difficulties that ordinary members of the public experience.

MR SPEAKER:

I do not want to interfere, but I wonder if there is any other member who would like to speak.

HON K B ANTHONY:

Yes Sir. Only a short contribution. When the Traffic Wardens came on the streets I was a little wary, I think everybody in Gibraltar was wary, we know of their reputation in England. I have now seen them in action and I think they are extremely good, very efficient, they have released the Police for better purposes and in the majority of their work I would pat them on the back. But when you come to clamping and towing away you are dealing with a very immotive situation, particularly in Gibraltar, because it is a situation where people find that their cars have been clamped or towed away and they have got to pay £25 to get back what is, after all, their own property and people resent this. I certainly feel that I have no objection at all to clamping or towing away where a car is creating a hazard or is a problem, an obstacle, then by all means tow it away. I think everyone on this side will agree with that. But we are not talking about causing traffic problems, of a car that is creating a hazard,

we are talking about cars being clamped and being towed away simply because they are illegally parked. This is a problem because many people in Gibraltar are forced to park illegally from force majeure, there is nowhere else to go and as my Honourable colleague has said up the hospital where you have a problem, where you want to go and visit somebody, what are you supposed to do? Go up there, come down again into town, try and find a parking place. People will not always do that, they often cannot do this. So therefore they will from necessity gamble, and nowadays it is not a gamble, it is almost a certainty. When they come out, they are going to find the clamp on the car and in many cases find that it has been towed away. It is this draconian approach that I object to. It is a case of black or white, there is no grey, there are no inbetween shades, no discretion is applied. I saw for myself a rather ridiculous situation where in their efforts to tow away a car one night, in the Piazza not a hundred yards away from here, there were four members of the Gibraltar Security Services Limited, two policemen and a tow away truck trying to tow away one car that was parked, not creating a hazard or an obstruction, it was parked at the very end of a taxi rank and in their efforts to remove it they had created a traffic queue which went out of sight in both directions of Line Wall Road. I know because I stood there and watched for fifteen minutes. Now this was a draconian situation and I do not think it is a very good situation. My colleague also mentioned the days when the Police had the responsibility for clamping and towing away and as a motorist or many many years, I can tell the House that on many occasions when I had perhaps committed an offence by parking my car in the wrong place. I had a phone call from the Police saying, "your car is parked on the wrong place, will you please move it or otherwise it will be towed away" and I have gone down and moved it, but you do not get that nowadays. It is this lack of leeway that is being applied, there is no discretion any longer. If you are parked in the wrong place, you are towed away or you are clamped. I would not like to see a situation of us and them developing. Us being the motorist, them being the Wardens who have the power to clamp you and putting your car out of action. It is a paradox, Sir, it is a paradox often because when a car is clamped, because it is causing an obstruction, it is more of an obstruction because the owner then has to come down, go to the Police, pay his fine, get his car unclamped. The car is there for possibly half an hour longer than it should have been. It is a paradox. So what I would like to see Sir, is Gibraltar Security Services Limited to instruct their Wardens to start using a little bit of discretion, a little bit of commonsense. If a car is not causing an obstruction, if it is not causing a hazard, even though it is illegally parked, it is breaking the law, let them apply the spirit of the law, let them use a little bit of discretion, let us get back to a little bit of commonsense on the whole question of parking because as we all know, every motorist on the rock knows, the virtual

impossibility, at certain times of the day, of finding a place to park your car. Let us bring back commonsense on the question of parking. Thank you Sir.

HON J C PEREZ:

Mr Speaker, I think the three speakers have said that when the Police used to undertake this work that the situation was not as severe as it is today. Let me make it quite clear that the responsibility of undertaking this work is still a Police responsibility which it has contracted out to a Company, but that the Company works under the supervision of the Police and that anybody that feels that they are being indiscriminately clamped have the right of appeal to the Police and not to the Company. So ultimately the Police continue to have the responsibility for this. What has happened is, and the previous administration recognised it, that the Police claimed that they had insufficient people in the Force to be able to carry out this work properly and although the law was in the Statute Book, the enforcement of that law was not what the Commissioner of Police, at the time, would have liked it to be. Evidence of this is that the previous administration had already made arrangements for the employment, the direct employment, of Traffic Wardens and I believe the figure, for which even money had been included in the previous Budget, was fourteen Wardens. This administration thought that it would be better if the Police could contract the work and the Commissioner agreed that it would be better to do so. Although I am talking on this matter at the moment because of the responsibilities that I hold for traffic, in fact, I had cleared with the Honourable the Attorney General that he might be the one to answer, because at the end of the day, he answers for the Police in this House. Notwithstanding that there are matters of traffic, where I, as Chairman of the Traffic Commission, and the Commissioner of Police can meet regularly and discuss and this is certainly one of them. What I want to make clear is that the overriding responsibility of what areas are clamped and how the clamping and the towing away is done remains a Police responsibility and that the Company through its Wardens, who are by virtue of the amendment passed in this House, Police Officers at the time that they are operating in this sphere, come under the control of the Commissioner of Police. So it is not a question of the Company taking the decision to undertake more clamping or less clamping or more towing away because they are making it for a profit, like the Honourable Mr Featherstone suggested. It is just that the law, that lay in the Statute Book before, is now being applied to its fullest because the manpower is now there available and contracted by the Police. I take the spirit in which the Honourable the Leader of the Opposition has raised the issue. I believe that within the Ordinance, the Commissioner of Police has discretion to look at areas and particular difficulties and apply the law less rigidly than in other areas. If the Hon Member has more evidence

of the problems that he has already stated, in the hospital area, he should by all means send it to me and I will take it up with the Commissioner and with the Attorney General and let us see if we can do something about it. Certainly the long-term solution is in creating more parking areas and one of the areas which is being looked into very seriously is the hospital area and the Moorish Castle Estate and which are the areas that have been mentioned. If the Commissioner does have that discretion under the Ordinance I am sure that something can be done about it, but I thought that I ought to make it quite clear, Mr Speaker, that as Chairman of the Traffic Commission, I can only talk to the Commissioner about it, at the end of the day it is his judgement, his discretion and his responsibility as to how far or what discretion he uses in applying the law. The difference between what was happening before and what is happening today is that before, the Commissioner claimed he had insufficient personnel to apply the law effectively and now that he has contracted that work to the Gibraltar Security Services Limited he has more manpower. But he remains ultimately with the responsibility of law enforcement. I will certainly raise the matter with the Attorney General and the Commissioner of Police.

HON ATTORNEY GENERAL:

Mr Speaker, on behalf of the Commissioner of the Gibraltar Police Force, we have certainly entered into this contract with Gibraltar Security Services Limited to do this work for us, the work is clearly set out in the contract. I shall make sure that the Commissioner of Police is informed of what the Leader of the Opposition, the mover of this motion and the Honourable Mr Ken Anthony have said. As far as the Commissioner of Police can ameliorate the situation, if he considers that it should be ameliorated, he will do so. I shall make sure that the contributions of the Opposition in this debate are brought to the attention of the Commissioner.

Mr Speaker then put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 6.45pm on Wednesday 22nd February, 1989.