

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

30th APRIL 1992

Vol. 1

RECORD OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Second Meeting of the First Session of the Seventh House of Assembly held in the House of Assembly Chamber on Thursday the 30th April, 1992, at 10.30 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 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 M A Feetham - Minister for Trade and Industry
The Hon Miss M I Montegriffo - Minister for Medical
Services and Sport
The Hon J L Moss - Minister for Education, Culture and
Youth Affairs
The Hon J E Pilcher - Minister for Tourism
The Hon K W Harris - Attorney-General
The Hon P J Brooke - Financial and Development Secretary

OPPOSITION:

The Hon P R Caruana - Leader of the Opposition
The Hon F Vasquez
The Hon H Corby
The Hon Lt-Col E M Britto OBE, ED
The Hon P Cumming
The Hon L H Francis
The Hon M Ramagge

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 14th February, 1992, having been previously circulated, were taken as read and confirmed.

COMMUNICATIONS FROM THE CHAIR

MR SPEAKER:

I must inform the House that the Honourable Attorney-General will soon be leaving us and this will be

his last meeting. I would like to thank him for his very useful contributions in this House during the years that he has been with us and wish him a very happy time with his dear wife Lissie wherever he may go.

ATTORNEY-GENERAL:

Mr Speaker, thank you very much indeed for those kind words. It has indeed been a pleasure and privilege for me to be a Member of this Honourable House and I have always found these proceedings most interesting. My predecessor made no secret of the fact that he would rather be elsewhere when the House of Assembly was sitting. Happily I cannot go along with that because I thoroughly enjoy the meetings and I have made no secret of that fact either and this is undoubtedly one of the aspects of my job that I shall miss. But, as everyone knows, I am not saying goodbye to Gibraltar, I shall be in future spending the winter months in my house in Spain and I will be popping in and out of Gibraltar and renewing the many friendships I have made during my time here and you may well see me in the House, Mr Speaker, but on those occasions, of course, I will be sitting in the strangers gallery and not in my present seat. Thank you again very much indeed.

DOCUMENTS LAID

The Hon the Minister for Labour and Social Security laid on the table the following document:

The Employment Survey Report April 1991

Ordered to lie.

The Hon the Minister for Education, Culture and Youth Affairs laid on the table the following document:

The Accounts of the John Mackintosh Hall for the year ended 31st March, 1991

Ordered to lie.

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

Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.6 of 1991/92)

Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.7 of 1991/92)

The House resumed at 2.30 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 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 M A Feetham - Minister for Trade and Industry
The Hon Miss M I Montegriffo - Minister for Medical
Services
and Sport
The Hon J L Moss - Minister for Education, Culture and
Youth Affairs
The Hon J E Pilcher - Minister for Tourism
The Hon P S Dean - Acting Attorney-General
The Hon T J Brooke - Financial and Development Secretary

OPPOSITION:

The Hon F R Caruana - Leader of the Opposition
The Hon F Vasquez
The Hon H Corby
The Hon Lt-Col E M Britto OBE, ED
The Hon P Cumming
The Hon L H Francis
The Hon M Ramagge

IN ATTENDANCE:

C M Coom Esq - Clerk of the House of Assembly

MR SPEAKER:

There is every indication that it is going to be a very hot afternoon, so Members who wish to take off their jackets may do so. They must not roll up their sleeves or use their fists but they are free to take off their jackets.

ADMINISTRATION OF OATH OF ALLEGIANCE - ATTORNEY-GENERAL

The Hon Peter S Dean took the Oath of Allegiance.

Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.8 of 1991/92)

Statement of Consolidated Fund Re-Allocation approved by the Financial and Development Secretary (No.9 of 1991/92)

Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.10 of 1991/92)

Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.11 of 1991/92)

Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No.1 of 1991/92)

The Annual Report and Accounts of the Gibraltar Broadcasting Corporation of 1989/90

The Draft Estimates of Revenue and Expenditure 1992/93

Ordered to lie.

ANSWERS TO QUESTIONS

The House recessed at 1.00 pm.

The House resumed at 3.05 pm.

Answers to Questions continued.

The House recessed at 5.15 pm.

The House resumed at 5.35 pm.

Answers to Questions continued.

ADJOURNMENT

HON CHIEF MINISTER:

Mr Speaker, I have the honour to move that this House do now adjourn to Tuesday 26th May, 1992, at 2.30 pm.

Mr Speaker then put the question which was resolved in the affirmative and the House adjourned to Tuesday 26th May, 1992 at 2.30 pm.

The adjournment of the House to Tuesday 26th May, 1992, at 2.30 pm was taken at 8.05 pm on Thursday 30th April, 1992.

MR SPEAKER:

Before we start the business of the House I would like to welcome the Learned Peter Stanley Dean. He has come a long way to attend to this meeting. All the way from New Zealand and, I think, he is the second New Zealander that we have had in this House. Mr David Hull was the first, also as Attorney-General. I wish Mr Dean a very useful time here in the House and I am sure he will make very good contributions and no doubt, I think, will enjoy the experience.

SUSPENSION OF STANDING ORDERS

FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to lay on the table the following documents.

This was agreed to.

DOCUMENTS LAID

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

Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.12, of 1991/92).

Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.13 of 1991/92).

Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No.14 of 1991/92)

Statement of Supplementary Estimates (No.3 of 1991/92)

Ordered to lie.

BILLS

FIRST AND SECOND READINGS

THE SUPPLEMENTARY APPROPRIATION 1991/92 ORDINANCE, 1992

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 1992 be read a first time.

Mr Speaker 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. Mr Speaker, this Bill deals with two further Appropriations in respect of the Financial Year 1991/92. It has been necessary for many years to bring to the House Supplementary Appropriation proposals after the year has ended and therefore after the expenditure has been incurred. I deprecate this practice and have been applying pressure to all spending departments to reduce such incidences under the ultimate threat of the sanctions available to me under the Public Finance (Control and Audit) Ordinance. In these particular cases, however, the underline reasons are perhaps more technical than substantive. The higher charge to Government in respect of its own rates levy is due in substantial part to the handing over of former MOD property with the consequential switch of the rating charge from what was formerly the Imperial Rate levied on MOD properties to a rate charge on Government itself. The full extent of this switch did not become apparent until the final quarter of the year. A small increase in the cost of the Fire Brigade project for the purchase of the Breathing Apparatus Training System arises from the increase in costs payable under the contractual arrangements. Therefore, Mr Speaker, it is with some regret that such bills should ever be necessary. I however 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 R CARUANA:

Mr Speaker, normally of course from this side of the House we also deprecate the need of the Honourable Financial and Development Secretary to come before the House with a Supplementary Appropriation Bill, although in this instance we recognise that in relation to the principle item relating to the Consolidated Fund it is not so much excess expenditure in the sense of money that has been spent without authority, but rather the application of a regime which has resulted presumably in money being paid out of one Head to another under internal revenue. In relation to the Improvement and Development Fund, it is true that the principle has been breached, it is in relation to a minor sum and therefore I feel that we can support the Bill without further comment on this occasion.

MR SPEAKER:

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Just simply to thank the Honourable Members opposite Sir, for their understanding and support to the Bill.

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.

MR SPEAKER:

Before we take the Appropriation Bill 1992/1993, I would like to make a ruling and I will read it very slowly so that all Members become fully acquainted with the decision that I have taken.

Honourable Lady and Gentlemen, three motions have been received and accepted. A motion of censure from the Honourable and Learned Leader of the Opposition, Mr Peter Caruana, and two motions from the Honourable and Gallant Lt-Col Ernest Britto. At this juncture I must draw attention to the motion of censure which refers to matters in the Appropriation Bill that the House is about to debate. Notwithstanding that this motion is affected by the rule of anticipation, I have allowed it. Hence for the sake of good order, I must acquaint Honourable Members with the manner of debating to be followed when taking the Appropriation Bill consequent on my acceptance of the admissibility of the motion. I will first read the motion and then give an explanation on its admissibility and on the debating rules to be followed. The motion reads as follows:-

"This House condemns the Government for:

- (1) Failing to lay before the House Estimates of Revenue for the current year in respect of such important sources of revenue as (amongst others) Import Duties, Electricity Charges, Company Tax, Exempt Status Tax, Stamp Duties, Ground and Sundry Rents and Premia on Assignments, amount last year to a sum of about £33m and notes that Section 65(1) of the Constitution provides that:

"The Financial and Development Secretary shall cause to be prepared and laid before the Assembly before or not later than thirty days after the commencement of each financial year estimates of the revenues and expenditure of Gibraltar for that year";

- (2) Diverting in the aforementioned significant revenues away from the Consolidated Fund to Special Funds with a view to enabling the Government to spend those monies without seeking the authority of this House;

- (3) Passing a decree allowing Import Duties to be paid into a Special Fund in breach of the law, namely Section 45 of the Import and Export Duties Ordinance, which requires import duty to be paid into the Consolidated Fund,

and notes with regret and concern that the financial information relating to the estimated revenues and expenditure available to this House is incomplete and reduced to the point where the role of the House in general and the Opposition in particular to act as watchdogs of public monies and expenditure, is severely prejudiced.

Now because this is a motion of censure on the Government and because the date of the next sitting or meeting is unknown and a long time could elapse before the motion could be moved and because it is fundamental to parliamentary democracy that freedom of speech be maximised, I made the exception of allowing the motion to be included in the Agenda. An ordinary motion in normal circumstances would be disallowed for impinging on Standing Order No.47 concerning anticipation. However in accepting in this instance the censure motion it would be improper to constrain the Government in their explanation of and comments on any matter whatsoever in the Bill as this is precisely one of the constraints, that the rule of anticipation is intended to prevent, except that no comments on the motion itself will be admissible. I have therefore struck a balance to allow as much freedom of speech as possible to all Honourable Members in the House and at the same time take account of the exceptional circumstances affecting the situation in this case. This balance I have decided is best achieved by on the one hand permitting the general rules of debate governing the Appropriation Bill to apply and on the other hand by allowing the motion to stand subject to the Opposition agreeing to defer commenting on the points raised in the motion until the motion itself is debated later in the meeting. The Leader of the Opposition was advised that he would be constraining the Opposition in the manner that I have explained. If the Hon the Leader of the Opposition wanted his motion to be accepted, at this stage of the proceedings, it was under these conditions and it was with his agreement that I accepted notice of the motion. If the Leader of the Opposition had wished the Opposition to comment on the debate on the points of the motion relevant to the Bill, at the Second Reading of the Bill, he could have done so by deferring notice of the motion until the Appropriation Bill had been read a third time. However, no date could be set as to when he could move the motion as such date is dependent on the meeting

arrangements that are decided by the Leader of the House. All this was explained to him at the time and the Hon the Leader of the Opposition decided to give notice of the motion. If on reflection the Leader of the Opposition now prefers the Opposition to be free from the constraints that I have mentioned then he can do so by withdrawing the motion now, before the Bill of Appropriation is taken, since the motion has not yet been proposed and therefore its withdrawal does not require approval from the House under Section 22 of the Standing Order. This, of course, does not prevent the Honourable Leader of the Opposition introducing the motion at a later date. So if the Leader of the Opposition would like to decide which way he wishes to proceed.

HON P R CARUANA:

Before Mr Speaker's ruling I had already made my decision.

MR SPEAKER: {}

Then you do not wish to withdraw the motion?

HON P R CARUANA:

Not at this point in time, Mr Speaker.

MR SPEAKER:

So we will carry on now under the rules which I have established and with the Appropriation Bill.

THE APPROPRIATION 1992/93 ORDINANCE, 1992

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to appropriate sums of money to the service to the year ending with the 31st day of March 1993 be read a first time.

Mr Speaker 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. Mr Speaker, in keeping with the practice of recent years, I will confine myself to introducing the Estimates and giving some background on their formulation and then make way for the Chief Minister to explain the Government's policy underlying these Estimates. The total Consolidated Fund expenditure to be appropriated by this Bill is £54.3m compared with an appropriation of £71.6m in 1991/92. This deduction is largely due to the impact of the commercialisation of water and sewage operations and certain expenditure

previously charged under the Consolidated Fund now being directly chargeable to Special Funds, including the contribution to the Health Authority and certain expenditure relating to the purchase of electricity. Furthermore, the Consolidated Fund will no longer be required to sustain a contribution to the Social Assistance Fund. Provision for items deleted as a result of these changes in Special Fund arrangements amount to £19.1m in 1991/92. These reductions are partly offset by the increase in provision elsewhere within the Estimates largely as a result of cost inflation. Including Consolidated Fund charges which do not require appropriation. Total expenditure on the Consolidated Fund reduces from an original Estimate for 1991/92 of £97.2m to £77.9m. Consolidated Fund revenue is estimated to be £72.7m compared with a revised Estimate for 1991/92 of £86.7m. As a consequence of these Estimates a deficit in the Consolidated Fund of £5.2m is estimated for 1992/93 which will reduce the Consolidated Fund balance from a closing figure for 1991/92 of £6.6m to £1.4m. In terms of presentation of the expenditure estimates, the most significant change reflects the commercialisation of water and sewage services in the course of 1991 and the deletion of the corresponding items of expenditure from the Estimates. With this change the Public Works Department has effectively ceased to exist and some of the residual functions still remain in the Civil Service such as Garaging and Stores which are now grouped together under a head entitled "Support Services". Moving to Consolidated Fund revenue, changes in the presentation reflect Government policy from regulations authorised by His Excellency the Governor, to reallocated revenue previously credited to the Consolidated Fund to the benefit of a number of new or existing Special Funds. These changes were principally as follows:- Stamp Duties, Tax Exempt Company Fees, Ground Rents and Premia on Land Assignments are brought to the Sinking Fund for the ultimate redemption of commercial borrowing. Electricity charges have gone to the newly created Electricity Fund and Import Duties have been allocated to the Social Assistance Fund. I am, of course, aware of the assertion made in a recent press release by the Opposition Party in this House that the Estimates that have been tabled are unconstitutional and that they do not show the items of revenue to which I have just referred. They believe that I am obliged under Section 65(1) of the Constitution to show this revenue. There is now a motion before the House that sets these concerns in a somewhat broader context. Whilst I do not think that it is appropriate to anticipate the debate on these wider issues, I think, that I should perhaps respond on this specific point of constitutionality. In the first place, it is important to emphasise that the reason why the items of revenue in question are not shown in the Estimates that have been tabled is due to the fact of their reallocation by regulation to Special Funds. Therefore, the assertion

made amounts to a claim that there is an obligation to arrive at the House with Estimates for both the expenditure and revenue of not just the Consolidated Fund but also the many various Special Funds to which revenue is allocated and from which expenditure is incurred. This is clearly a serious point and it is required to be given serious consideration. If it were correct then indeed the Estimates brought before the House have been unconstitutional for a number of years. Since there is a point of constitutional law involved, the House will not be surprised that I sought advice on this issue from the Attorney-General's Chambers. On the basis of the advice that I have received I am satisfied on the form of the Estimates in dealing only with the Consolidated Fund and the Improvement and Development Fund is constitutional and I am not, therefore, inhibited in presenting the Appropriation Bill today. The providing of information that goes beyond the strict constitutional and statutory requirements is a matter for the policy of the Government of the day and I am advised that it is not the Government policy to produce Estimates for the Special Funds other than the Improvement and Development Fund which is subject to statutory requirements. Moving from the Consolidated Fund to the Improvement and Development Fund the total expenditure to the Appropriation is £44.4m compared to £62.9m in 1991/92. This reduction reflects the anticipated completion in the course of 1992/93 of a number of major projects including the Industrial Park and the Gib 5 Housing Estate. As a result of estimated revenue £72.3m included in the funds of 1991/92 principally as a result of Asset Sales, the revised estimate of results for 1991/92 suggests the deficiency on the fund of £10.9m as at the 31st March 1991. This has been reduced to £0.3m by 31st March 1992. Further receipts of £44.2m are estimated in 1992/93 which will be sufficient to cover the capital expenditure referred to earlier and retain a positive working balance by the end of the year at an estimated £0.5m. With those words of explanation as background, Mr Speaker, I now give way to the Chief Minister to set at Government's policy and financial strategy.

CHIEF MINISTER:

Mr Speaker, I think, perhaps for the record, since people of Gibraltar who have the opportunity of listening to the debate in the House may not be fully conversant with the particular responsibilities that each of us has in this House of Assembly, can I just say so that it is known, but of course the decision and the ruling that you make on the motion and what the Members of the Opposition may say or not say in anticipating the motion, has been entirely yours in the exercise of your responsibility and your judgement as Speaker of this House and there has been no communication between the Government and the Speaker on this subject. Just in case you get another motion or something else at a future date, Mr Speaker.

Also that the explanations given by the Honourable Financial and Development Secretary in terms of the way the money has been allocated to Special Funds, again is his reaction as a technician to the statements that have been made assuming them to be of a technical nature. Now I do not have to assume any of those things, Mr Speaker, I am assuming them to be totally politically motivated and therefore I have to say that I will not be able, notwithstanding the fact that you have not chosen to restrict me, Mr Speaker, I will not be able to give, at this stage, some of the reasons for the changes because of course it is one thing to say these changes have taken place and therefore technically one has to question, is it permissible to carry out such changes? The other thing is to say, "Well why should the changes be needed?" That is a matter of policy. We decided we required certain changes and we have thought good reasons for doing them. I would have explained the reasons this year, as I have done on previous occasions in previous budgets when we have given the Opposition an advance copy of the Estimates of Revenue of Expenditure and then when I have stood up at this stage, I have drawn their attention to the way the Estimates have changed because, in fact, we have been changing the presentation of the Estimates of Revenue and Expenditure consistently every year since 1988 and explaining the changes. However, we have had a situation which is very unusual in my twenty years of experience of this House where the Opposition issue a press release about the contents of the Estimates of Revenue and Expenditure in their possession on a restricted basis, before we get to debate it here and present a motion censuring what they think has been done without waiting to find out whether it has been done, and I am afraid now, we will have to wait until they move the motion to find out what degree of accuracy there is or there is not in the things that they have said in their motion. Mr Speaker, I am certainly not going to tell them before they move the motion where they have got it wrong. They will have to wait to be exposed at that particular stage, I am afraid, so they can look forward in anticipation to that moment.

Apart from that limitation I will try and give the House and the people of Gibraltar an expose of how we see, not just the next twelve months, but indeed, the next four years, which is what we did in 1988. In 1988, I think, for the first time in the history of this House, we actually said "We have just had an election, I am not going to be budgeting for four years in one go, which is an impossibility, but I am going to give broad parameters, broad outlines of what we would like to achieve in the four year period," and one element in that type of scenario is that, of course, it provides a framework within which performance can be judged. The other thing is, of course, that it makes more sense when one is talking about economic management and economic performance. To talk about a period of more than twelve months, because a twelve month period is of course totally arbitrary, not just in terms of Government expenditure, but particularly when we are talking about economic growth

as it has been for the last couple of years which is significantly influenced by capital investment projects which are large. If you have a lot of small projects then you are unlikely to have a situation where a big chunk of expenditure can change the performance of one year quite dramatically simply by being twenty-four hours later or earlier. If you have a lot of small projects then it is very unlikely that if any project moves faster or slower than programmed, the effect will significantly alter the results, because in any case, in all these calculations there is always a margin of error. But if you have a project like Queensway which is £80m or projects like Europort which is £110m, then whether you spend £20m in April or you spend £20m in March makes a very big difference to the result of 1991/92 or the result of 1992/93, so I think we need to look at it over a broader period of time.

In the context of that broader period of time we are talking essentially of an economy which in 1988 was producing goods and services worth £150m. Now what exactly does that mean? This is a figure we use when we talk about Gross Domestic Product. It does not mean that that is the only thing we produce, it means that is what we produce in Gibraltar with our efforts and our labour. So in the actual output of the economy you have a very much bigger figure and you need to deduct from that figure the goods that we import from the outside world, from outside our own economy. So you have a situation where, when we take into account all the goods and all the services that we sell, both to ourselves and to outsiders and we deduct the goods and services we buy from outsiders, what we are really responsible for producing in Gibraltar in 1988 was £150m, in one year. By this year we expect that figure to be £300m and that is the figure we were using in the course of the election campaign in January this year. I regret that indeed we are still not able to give reliable figures for 1991. The Leader of the Opposition at Question time asked me to give him the figures for 1991/92 and 1992/93. We are having difficulty in finalising the 1991 figure. Part of the reason is, of course, that the easiest figures to calculate in GDP and the most reliable ones, are the consumption of the output of Gibraltar that is accounted for by the expenditure of the Government of Gibraltar and the expenditure of the Ministry of Defence, because those figures, we produce either ourselves or are provided by the British Government and therefore we have no reason to produce a figure other than the real ones since we do not pay taxes and neither does the UK Government. That is not true of everybody in Gibraltar.

Secondly, the Estimates tend to be fairly close to the final audited figure and, in fact, we have improved ourselves in the accuracy of that figure by putting at the beginning of the year, a sum for supplementary expenditure so that in fact when we look at the Estimates for the next twelve months, in the Estimates before the House now, we have a situation, Mr Speaker, where in

the figure, in the summary on page 16, the £64km we are planning to spend in the next twelve months includes a sum of money which is not yet allocated and which is there for overruns on expenditure to avoid the kind of situation that the Financial and Development Secretary mentioned, where we discover after the end of the year that we have overspent. So there is really no reason anymore why this should happen because at the beginning of the year we put in a figure, we have been doing this now for three years, we put in a figure and they are supposed to stay within that ceiling of £52km come what may. That means that when we are making Estimates of the output of the economy we do not have the problem that we used to have way back in 1987 and 1986, which was that the revisions after the accounts, of course, were so huge in comparison to the size of the original Estimates, that you were still revising the figures three years down the road. But that is only true of the Government's sector and the Government's sector is shrinking. It is shrinking both in absolute terms and it is shrinking even more rapidly in percentage terms out of a total economy.

The same is true of the MOD, so it means that the two elements in the National Income Accounts which are most easy to predict and most reliable, have a decreasing importance in the total and the private sector accounts for more and more of that total, purchase of the goods and services, that we produce collectively as a community in Gibraltar. It means that the Statistics Office has to rely, for things like earnings, on surveys, for things like company profits, on the eventual information in accounts submitted to the Tax Offices where the information is not provided on an individual basis but it is provided collectively, for the Statistics Office. So that it is not possible to identify how much income tax is being paid by one company or how much profit is being made by one particular individual firm. You have to calculate a figure for all the profits that are being made by all the companies that are created in Gibraltar between the 1 April in one year and the 31 March the next. That is one of the components of national income. I am giving this background so that Members will understand that, in fact, in calculating the figures, obviously we would like to have them as quickly as possible because it assists our planning but we are constrained by a situation where although we prove the speed and the accuracy of our own information, that information is less and less important and it is going to become even less important over the next three years because, in fact, we have peaked on Capital Investment in 1991/92 as is seen in these Estimates. If Members look at the summary on page 5 they will see that we are planning to reduce the amount of spending on Capital Works from £61km last year to £43 1/3m in the next twelve months. In the capital sector we are declining and we have been growing for the last four years. In the last four years we went from £4m to £8m to £16m to £20m and we have culminated in £61m

which is, in fact, as far as we are concerned, the maximum that could really be handled. In fact, we budgetted for a higher sum and we are expecting now to be declining in terms of our Improvement and Development Fund expenditure from now on. However, we are reasonably confident that the figures for 1991/92 will be very close to the £300m that we set ourselves as a target initially when they are finally closed and audited and all that could take quite a long time. Members however can take it that the figure we used in January this year, which was £300m, is in fact, reasonably accurate as a figure with which to work.

In that period between 1988 and 1992, when we moved from £150m to £300m, we did not quite double output because, in fact, we grew in employment numbers. We grew from something like 12,900 to something like 14,500 in that period, so in fact, it was not simply a question of better organisation and higher output, it was also a question of more people being employed. The principle increase being in the construction industry. We have set ourselves a target in terms of employment over the next four years of maintaining 14,000 jobs in the economy of Gibraltar and we expect that in order to maintain those 14,000 jobs, the economy of Gibraltar will have to increase its output from £300m to £450m between 1992 and 1996.

Now one might ask why should one need to increase output from £300m to £450m in order to keep 14,000 jobs if we have already 14,000 jobs. Of course, quite simply because one of the fundamental problems of our economy is that we are an economy with probably, on a per capita basis, the highest external trade in the world. The United Kingdom economy was always characterised as an Island economy which needed to export to survive because they could not survive on their internal output like the United States can. The United States tomorrow could stop trading with the rest of the world and it is big enough and diversified enough to be able to produce practically everything it needs within the United States. The United Kingdom economy always needed to have a very large export sector in order to pay for its imports. Well, on a per capita basis we need it even more than they do and, of course, we have always had it except that we have never seen it in that light. We have never really consciously understood, as a people, that we were exporting the product of our labours to the UK. But of course instead of making things and shipping them to the UK, the UK was sending people to Gibraltar, the armed forces, who were buying our labour output from us. So they were our export industry and that is effectively what we have been losing for three years now and we are going to be losing even more dramatically for the next three years. So we have to run very fast to stay in the same place. Since we are so highly dependent on the outside world for everything we consume, our food, our fuel, everything, it means that as the outside world every year charges us more

for what we buy from them, we need to charge more for what we sell to them but we no longer have one customer, we need to pay more every year for what we used to have. We have now many customers who do not have to buy from us and therefore we need to increase output because without increasing output we will not be able to retain our standard of living. We need to produce more to stay as we are because we need to earn more from the outside world to buy the same. What we buy in 1993 will cost us more than what we will pay for it in 1992, for the same things, and if we want to buy the same volume, the same quantity of goods to maintain the standard of living of our people in 1993 as we do in 1992 and we cannot increase our prices in 1993 because we no longer have a captive customer who was willing to pay a price increase, it means we have therefore to produce more so that we can increase our incomes. We have to sell more. Not sell the same at a higher price.

That is the very crux, the very essence of the problem of economic management in Gibraltar. If we can solve that, all the other problems will solve themselves. But it is a very tough problem because it is a kind of problem that normally Governments do not have to face. It is a kind of problem that normally businesses in market economies face and they have greater room for manoeuvre, greater flexibility, greater adaptability to the market, than Governments normally have. So our strategy has to be that having identified what needs to be done to achieve the objectives that we have set ourselves, objectives which I am sure Members opposite will not quarrel with, I cannot imagine the Members opposite wanting us not to have 14,000 jobs and not to have full employment and not to be able to give work, not just to our own people but to all the Moroccans who have been here for so many years. We all want to be able to do that, Mr Speaker, but in order to be able to do that we have to earn our keep and in order to be able to earn our keep we have to be able to produce more. We need to produce £150m more every year in four years time than what we are doing now and we have done it in the last four years, but we have done it in the last four years on the back of a very very large capital investment programme generating very high rates of growth which can no longer be maintained in the future. Not because we do not want to, let me say, because that is one of the areas where we clearly have different philosophies from the Members opposite, as was proved in the General Election in January, when they were saying that we were growing too fast in moving from £150m to £300m over the last four years and I would say to them now I wish I could move as fast in the next four years and instead of going from £300m to £450m, I would go from £300m to £600m, but we cannot afford it. We cannot afford to maintain the level of public investment that we have maintained until now and therefore, if we could we would. We believe in it but having carried out investment programme at the pace which we felt, in our judgement, our economy could afford, we have now reached the stage

where we cannot afford to keep on increasing it at the rate we have been increasing it over the last two years. But it is not a matter of wanting to do it or not wanting to do it, if we could find a way of financing higher levels of investment, we would do so because at the end of the day particularly in the Public Sector who can say ever that you run out of desirable projects in which to invest. We have just invested, Mr Speaker, in a new school which was opened recently which cost £34m. Well, if we had £34m to spend every year we would want to do that every year but we cannot. We can afford to do that once. So this is reflected in the expenditure, as I have said, coming down by £184m between the year that has just ended and the next twelve months, in Public Sector Capital Investment.

The effect of this will be, of course, that the abnormally high levels of employment in the Construction Industry that we are experiencing at the moment and we have experienced in the last twelve months will decline and the industry will go back to the kind of level that it was in 1988/89 and the early part of 1990, which is the long-term sustainable level we consider in the economy of Gibraltar. That will still give plenty of opportunities for people to take up employment in the private sector construction industry from the local workforce. There is still a minute involvement of Gibraltarians in the construction industry. We are talking about something of the order of less than 10% of the industry. So that means that even if you have a much smaller industry, you can still go a long way to increasing the percentage of Gibraltarians working in the construction industry when it is below 10%. So since much of the increase in the construction industry over the last twelve months has been effectively supported by the importation of temporary workers, primarily from Spain and Portugal, fortunately for us it does not mean that when the peak is passed we will be landed with hundreds of people here unemployed because they come in, they do a job, finish a project and they go. That from our point of view means that we are able to take on the commitment of a short heavy construction programme over a short period of time without saying well lock we cannot take the construction industry to a higher level temporarily. Now this is not new, of course, this has been going on for a very very long time. I remember way back in the 1960s when the projects in Europa Point were built by the Military that it was done by a Cypriot firm that brought in workers from the Philippines and when the project was finished they went back. If it were not for that effectively our ability to respond to changing market conditions in the rest of the world would be very very difficult because it would take so long for us to switch resources, that by the time we switched them we would have missed the boat. But being able to bring people in to do a job and then they go means we can still have secure long-

term jobs in the construction industry for a given volume of work and feed a peak with people from outside.

That is really what is reflected in the \$61.7m that has been spent out of the Improvement and Development Fund over the last twelve months. That will continue to be reflected over the next twelve months as the New Harbours Development comes to completion but if we look further ahead in 1993, the reality is that many of the projects that were started in the last eighteen months will be finished. If we are fortunate enough to be able to attract so many new businesses to Gibraltar and we find that the supply that has been created is being taken up very quickly, then, I think, we can go out to look for new investors to invest in more facilities and more property but we are certainly not going to do that while there is available property on the market. We think it is not a wise thing to do and we do not think that it is a fair thing to do either to the people that have invested already. Therefore the policy of the Government, in managing the economy, a policy that we announced, in fact, again in 1988. So we are not breaking any new ground because we identified the need to have a land bank in 1988 and the need to stabilize property and land prices by acting, if you like, as a kind of OPEC on land, as a buffer stock of land so that if it was a situation where a lot of people wanted to do a lot of developments. We would stop prices going through the roof and we would stop speculation by increasing the supply. If we find that people have empty property on their hands which they have difficulty in finding customers for, then we will say to new people who want to come in, "Look we are sorry we are not giving you permission to develop because at the end of the day we do not think it is fair that you should come here and add more to a market that is already well supplied. You will have to wait until the market stabilizes." In a market as small as ours it is difficult not to go from feast to famine and vice versa because, of course, you are talking about a market which is so tiny that you move from a situation where there are no offices to a situation where there is a glut of offices to a situation where there are no offices, simply because you cannot build just one office. You have to build an office block and the problem is that the investor that is going to build the office block, will not come in until he can see that there is demand in the market. So there has to be shortage for the investor to come in and then when he comes in and in order to be able to produce what he considers to be a profitable product, he tends to have to build a certain volume of units so that the unit costs make it a worthwhile investment and he over-supplies the market. Then you have to wait for the demand to catch up with the supply. We are entering into that phase over the next eighteen months and we are still, of course, going to try, as we said we would in the Election and since, to, and as it is reflected in these Estimates, to put a greater emphasis now on actually selling what we have.

The analysis of the Government was that we were in a catch 22 situation before. That is to say, we did not have the quality of offices or telecommunications or reliable electricity supplies or a modern incineration plant to be able to attract people and you could not go out and say to them look if you come to Gibraltar we will put you in a tent in Eastern Beach and then we will start building offices, incineration plants, etc. You have to take the commercial risk of producing the product and then selling it or at least producing the product and selling it when it is nearly finished, which is at the stage we are at. We now have enough in place and enough in the pipeline to be able to say, well now we have to shift our resources as a Government, our team now has to move from concentrating on upgrading the infrastructure of Gibraltar to concentrating on bringing customers who will use it, pay for it and reimburse to us the money we have invested ourselves and reimburse to the private sector the money the private sector has invested. We are reasonably confident that we can achieve this in the next four years. Notwithstanding a situation in the outside world which is catastrophic. There is no other word to describe it, Mr Speaker. The United Kingdom itself, notwithstanding the re-election of the Conservative Government and their predictions that the recession is ending, the prediction that we have been hearing for a very long time, has just announced that in fact they are predicting zero growth this year and they have just, in fact, recalculated the decline in their economy showing that the total fall in the gross domestic product since the recession began is now nearly 5%, which means that the latest estimates by the UK Treasury is that the United Kingdom since the recession began in the mid-90s, has actually got to a position where it is producing 5% less today than it was two years ago. I think, we can congratulate ourselves on a performance against that background where we are producing today 100% more than we were producing four years ago. Obviously it is a benefit to have a Socialist Government in office, as we have in Gibraltar, Mr Speaker.

The degree of depth of this recession is unprecedented and the unknown elements against which the recession is developing creates a totally new scenario. The collapse of the Soviet Union and the Eastern European economies create a situation today for western economies which has not been experienced since the revolution in 1917. The market out there is tougher than I have ever known it in the last twenty years. The people that I talk to who are experts in the field, to whom I talk professionally, people that I know, certainly are very pessimistic and there are people who are saying the recession is not going to end in 1992 or in 1993 or in 1994. We are therefore, taking a fairly conservative approach in our estimating. This is why we are saying we are going for growth from £300m to £450m and for maintaining 14,000 jobs in our economy. We do not think that this is an over ambitious target and it is a target

that assumes on our part quite a reduction over the next couple of years in the Improvement and Development Fund. It assumes that there will be not many new projects after the completion of the ones that we have in place. It assumes there is going to be a continuing shrinkage in the UK Departments and it assumes that the world recession is not going to be as easy to end and that the upswing will be slower and will come later than the optimists expect. I do not know other than Armageddon what else we can assume in the equation to make sure we are not being too optimistic. I say this because, I think, that it is important that whilst we have to be totally realistic in understanding the difficulties that we face, as a people and as an economy, small and vulnerable as we are, I do not want to produce an impression of unmitigated gloom because, in fact, in our prediction we have tried to take into account all the possible negative factors and have left ourselves with room for positive factors. It is difficult to think of what could go wrong that we have not already assumed will go wrong in the economic model which underlines these Estimates and the projection for the next four years.

As we said in questions to the House, Mr Speaker, the level of borrowing provided for in the Loans Empowering Ordinance in 1989, which gives us a ceiling of £100m, is in our view, sufficient for the current Financial Year to sustain this level of expenditure in the Improvement and Development Fund. We will be using the mechanism that we have explained so many times before which I hope I do not need to explain more, which is that the borrowed funds will eventually show up in the receipt of £44m but that, in fact, in here those receipts appeared not as borrowing but as land sales. There are as I indicated to the Leader of the Opposition at Question Time unused resources within the property companies from the borrowing that we raised in May last year of £50m and that, plus the unused balance between the £87m and the £100m, we consider should be sufficient to maintain this. It means, of course, that we will have to look at the borrowing capacity of the Government for the following year. That is to say, for 1993/94 in the line of the demands for capital spending that will be ahead of us for the remaining three years of the four year economic strategy. It is too early to be able to establish what those are likely to be and it depends on a number of things including the degree to which we are able to generate new income on attracting new businesses. We are of course making prudential provisions for making sure that the debts can be repaid without any problems.

In looking at the Recurrent Estimates of Expenditure, Mr Speaker, the position as I indicated, I think, it was about nine or ten months ago in answer to questions in the House, is one where the ability to get savings out of the restructuring of departments or the commercialisation of activities is now getting smaller by definition having started with a number of areas which in our view were clearly trading activities which in

our view there was no particular reason why it should be a Government responsibility. The more of those trading activities that have now been hived off to commercial entities the less of them that are left to hive off. We are however still interested in moving in that direction whenever we can find a way of doing so and as the Minister for Trade and Industry mentioned at Question Time in the earlier part of the House, at the moment what we have under review the Shipping Registry and the Companies Registry. Neither of which really will mean a great deal of savings in terms of manpower or in terms of costs to the Government, but we hope that what they will mean is that by having a more commercial orientated management set-up in say, the Registry we will have more aggressive marketing of the Gibraltar Registry as opposed to our competitors which we feel is sometimes difficult if we have the inevitable red tape that goes with Government systems. Therefore if the customer is looking at the advantages, even if the advantages are there in the private sector, in the tax legislation or whatever, if they just take a long time to get a response then businessmen men today have too many options, too many choices and too many people after their money to hang around waiting for us to make up our minds. So they just go. We cannot afford to lose them. We have to go after every penny we can if we are going to keep the ship afloat. Therefore that is the primary reason why in those two areas we have proposals and we are looking at them seriously. But as I said, it does not mean that we are not interested in other areas. It means that at this stage we have not really been able to identify what other areas we could move in the next twelve months. But if we have, as we did get in the past and as we tend to get from time to time, people within the Service who come to us and say we think it could be done in this way and we are interested in moving, then we are open to such proposals and, in fact, we have had the situation where the Honourable Financial and Development Secretary has recently been looking with the Accountant General and the GGCA on how we could produce an accounting service, if you like, which would effectively be contracted to do the accounts of the different departments and which would consist of the people who are now in the Accountant General's Department but who would be able to produce quicker, better results because they are able to operate with a greater latitude and more freedom than the way they do now. We do not know whether this will work or not but we are certainly keen to do it and we are certainly keen to move that way. In terms of a policy decision the proposals were first put to us in May 1990 and we said "yes" immediately and it just shows the speed at which these things move that we are still talking to the parties concerned about the possibility. I am just mentioning this because, of course, it does mean that the Estimates of Revenue and Expenditure, which are being placed before the House are precisely that, Estimates. If during the course of the year we can find ways of removing either revenue or expenditure then, of course, we will be very glad to go down that road, unless the

Honourable Member persuades us to do the opposite with his motion.

Another important area which we hope to be able to move on in the next twelve months and which is breaking new ground is something we set out to do in 1988 and we were not able to do simply because we have provided the necessary legislation, we created the necessary framework, it was intended that it should be done via the Investment Fund but like everything else it was not high enough on the agenda to enable us to get round to doing it. We expanded on that further, Mr Speaker, in January this year in the course of our manifesto, where we talked about a rainy day fund and we talked about the need to have a company, an institution, that would invest outside our own economy as well as inside. Let me explain the rationale of doing that by taking the House back to what I said initially about the fundamental problem of our economic situation and the vulnerability that we face today which we have never faced in the past. A lot of people think that with an open frontier and an economy that is growing today we are, in fact, safer, if you like, better off than we were with a closed frontier. The opposite is true. We were in an economy that was stagnating but it was rock solid. Nothing could go wrong with it. Today we have an economy that is dynamic but can trip. So in looking at that situation what do we have? Essentially we have to look at ourselves as an economy that buys from the outside and sells to the outside and we need to keep those in balance. If we have a currency that was other than sterling based then the balance of trade and the balance of payment would determine what the Gibraltar pound was worth. The Gibraltar pound is pegged to sterling backed by sterling and therefore what happens to the UK economy determines the value of our currency, not what happens to our economy. But if we have an independent currency, like Malta has or Cyprus has, then effectively whether the Gibraltar pound went up or down would depend on how successful we were in selling to outsiders more than we needed to buy from them. That is really what we have to achieve. Having lost our biggest, our most reliable customer, the Ministry of Defence, we will need to really think in terms of what are the things that produce what one would call in terms of National Accounts, Gibraltar credits and what are the things that produce Gibraltar debits. So for example, repairing ships produces a credit to our national accounts. Why? Because the ship owners pay us with money they have earned in the outside world, outside our own economy. Taking holidays abroad is a debit because we are spending money earned in Gibraltar outside our economy. Other people taking holidays here is a credit. So you have a situation where really it does not matter, in economic terms, whether you are talking about tourism or you are talking about anything else, you are talking about whether we are selling goods and services to others in greater value than we are buying from them. Therefore we have to look in our own economy

at import substitution as one element of improving the multiplier effect in our own economy. Anything that we can do which can be produced in Gibraltar is a good thing. But, given that there are limits physically of manpower, of raw materials and of resources here, it must follow that we have to have some of our savings invested abroad. That is the strategy that we hope to be able to develop in the next twelve months which we identified, as I said, in 1988 but which we were not able to do between 1988 and 1992. We hope to be able to do this between 1992 and 1996, Mr Speaker, and in fact we hope to have it in play in this financial year. The vehicle has already been created, it is called the "Gibraltar European Investment Trust" and it is intended that that vehicle, which is currently set up with investment funds from the Gibraltar Investment Fund will also give individual citizens opportunities for investment, so that the savings can be channelled through that company. We have a vehicle which will be a tax efficient vehicle using the legislation we introduced in 1988/89 and which will give us an opportunity to produce a stream of income which will be helping us to balance our external trade, our balance of payments.

In addition, the strategy that the Trust will have and obviously the timing of this is very important for the reasons that I have explained as regards the state of the world outside Gibraltar. In any situation where you have a paralysis of the world economic system to the degree that you have, there are opportunities for making money which will be unrepeatable and for losing it. One needs to be very careful and tread very carefully and we will be looking at what are sound opportunities but primarily we will be looking to the UK. We will call it "The Gibraltar European Investment Trust" because we think really we should be looking at the Community as a whole and not just at the UK. But initially the most likely route will be the United Kingdom. We will look at opportunities for companies that have a quoted share on the Stock Exchange, obviously, since that will mean that we have liquidity and we will be seeking to develop such opportunities in a way that we can generate work within Gibraltar. That is to say we will be looking at situations where, by virtue of our involvement in the ownership of such enterprises, some of the things that those enterprises purchase in terms of services will be purchased from Gibraltar, partly because, of course, if our marketing strategy is to persuade other people that there is much to be gained by having a Gibraltar base, then obviously, we should ourselves develop a way of doing business which is consistent with what we are preaching to others and it means therefore, that the multiplier effect of that investment would be much greater in our case than it would be in any other one. Obviously, the launch of this vehicle, which we hope to take place later this year, has to wait at the moment for certain amendments to the Companies Ordinance because on technical grounds it would appear that the amendments

that were done in 1987 are insufficient to enable us to do what we would like to do and therefore we will be bringing amending legislation. We are looking, in fact, at some of the legislation that has been used in Ireland as a possible model and we hope to bring that to the later session of the House when we take the other Bills. We hope we will have something ready then so that we will be able to launch this at the beginning or sometime during the next twelve months. But certainly we want to have it in place by June/July. That is really the new vehicle that we are planning to bring in, in addition to the things that we already had in place, but as I have said, even that one is not really new in the sense that it is something that we have thought of doing in 1988 but we found that we could not achieve it.

If one looks at the bottom line of our Financial Statement, it is obvious that the predicted Consolidated Fund balance for 1993 is £1.4m and the estimated balance in the Improvement and Development Fund is just over £½m. That gives us some leeway for the following Financial Year, the year 1993/94 in terms of having deficits in one or the other of these funds, but not much. Generally speaking, the feeling of the Financial and Development Secretary is that we should not really be below something like £½m in the Consolidated Fund. The Improvement and Development Fund will really just sort of keep in balance so whether we are a couple of hundred below or a couple of hundred above, at the end of any financial year does not mean very much because being a Capital Fund to some extent, all you need to do is to get an invoice one week later and that can produce a surplus simply because it does not show in that financial year. To some extent this is in fact what was happening in the year 1991 when, if Members opposite look again at page 5 they will see that we started in April 1991 with almost £11m deficit in the I & D Fund and we produced a surplus of £10.6m during the year and we finished up with a deficit of nearly £300,000. Well there is no particular significance to this. It just means that we have made sure that the payments were there when we thought that the money was needed. In fact, it could well be that when we do the final audit for the year 1992, we may not have a deficit there at all simply because some of the payments we were anticipating having to make before the 31 March, we have made in April and instead of appearing in 1991/92 they will appear in 1992/93. So really there what we are saying is, the amount of receipts predicted for 1992/93 within existing resources and within the agreed borrowing capacity should see us through till next year. Frankly, we are not entirely sure how we are going to finance the I & D Fund twelve months from today. It could well mean that we might have to increase the borrowing capacity beyond the £100m but we are not sure yet. We will have to wait and see. We expect the expenditure to be well down on the £43m because the really big expenditure is coming up to peak this year. For example, the industrial

park which was £30m will be virtually complete by the end of this financial year having spent £15m this year having spent £15m last year and £15m this year and in looking at the Consolidated Fund Estimates the level of expenditure that we have in there gives us a deficit this year but leaves us with a Consolidated Fund which we could run the following year at about half the level it is now, on £1.4m, but that does not give us a lot of leeway. It means something like a £700,000 deficit for 1993/94 if nothing else changed. We will be looking within the next twelve months both at Revenue and Expenditure to see what other areas it might be possible to move out of the Government revenue set-up into the commercial set-up to produce a better result for us twelve months from now. If it is impossible, then I think we will have to think again as to the position of the costs that we have here and how we can tackle them. At this stage to a very large extent we are dependent on the success of the marketing strategy which we have now started to put in place and the Estimates do not contain a prediction of huge success. That is to say, they do not reflect that, so therefore, what I am saying to the House is, it is not that if people do not start arriving in plane loads you can throw this out of the window because this is a rosy picture. This is not a rosy picture. We consider it to be a realistic picture taking into account what we have seen outside Gibraltar in the efforts that we have already made, taking into account the difficulties there are in attracting customers in a very competitive situation and therefore we can say that we are reasonably confident that we have now the necessary infrastructure to provide for Gibraltar's self-sufficiency. We have now the necessary resources for the next twelve months to promote Gibraltar and bring in customers and we only need a modicum of success in that strategy to be able to achieve a growth in our output from £300m to £450m to guarantee the 14,000 jobs that we have set ourselves as a target of maintaining throughout the term of office up to 1996. Thank you, Mr Speaker.

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 R CARUANA:

Mr Speaker, the Honourable the Chief Minister made one point at the outset of his address which I myself would like to deal with now. That is that in commenting on the fact that the Members on this side had issued a press release, the Honourable the Chief Minister said that he was somewhat surprised that we had used the Estimates that we had in our possession, on a confidential basis,

as the subject matter of a press release. Well, Mr Speaker, it may well be that my very limited experience in this House has caused me to overlook some regulation that is not particularly clear in the Standing Orders but I do not think so, although I stand to be corrected. The fact of the matter is that by the time that we used the Estimates for public purposes they had been laid before the House. They were not Estimates as in previous years that were made available to the Opposition on a confidential basis before being laid before the House. We did not use the Estimates before they were laid and if the Honourable the Chief Minister cares to check the dates he will see that it was after the Estimates had been laid before the House that we issued the press release.

HON CHIEF MINISTER:

Mr Speaker, if the Hon Member looks back to the day when we arrived here in 1988 then he will find that we have followed the same procedure since 1988. The Hon Member must be thinking of the AACR Government before us that acted somewhat differently. The Hon Member said that on this occasion instead of letting the Opposition have the Estimates fifteen days before they were laid on the House, we had laid them on the day that they were delivered to the Opposition and I am saying to him that is what we did on the 29th April 1988. They were laid in the House and given to the Opposition at the same time.

MR SPEAKER:

I will just tell the Leader of the Opposition that it certainly complied with the Standing Orders.

HON P R CARUANA:

Mr Speaker, the point that I am trying to make is that, I think, that the Chief Minister has addressed the wrong point. The fact is that we made no public use of the Estimates until such time as they had been laid before the House and therefore there is no question of use of the confidential document. It ceases to become a confidential document; no matter how much in advance of laying they are delivered as a matter of courtesy to the Opposition; the moment that they are laid before the House. Therefore the relevant date is not the date upon which you gave them to me but the date upon which we used them publicly.

HON CHIEF MINISTER:

I heard the Member opposite correct me when he opened. He said that on this occasion, instead of the Opposition being given the Estimates fifteen days before, on a confidential basis, they had been laid before the House. If he will listen to what I said, I did not say confidential. I said that they were provided to him on a restricted basis in anticipation of the debate.

The debate is taking place now. Therefore, if he looks back to the 29th April, 1988, he will find that since we took office in 1988 we have laid them before the House the same day as they have been given to the Members opposite and it said on the front, the same day that it has been laid in the House, "Confidential" on the basis that they have it but the press do not get a copy of it until today when we debate it. It is not that I object to the Honourable Member having done it. It is just that it seems to me that if somebody is going to come here today to debate something, then, before the debate has taken place, the press release shows that they have already made up their mind what it meant and what it said without having had any arguments.

HON P R CARUANA:

It certainly show that, Mr Speaker. If the Honourable the Chief Minister is not making some dreadful allegation of abuse of confidential documents then I do not see that there is any need to labour the point further. The fact of the matter is that there was no constraint on the Opposition to make the use of the document that it made. I am quite happy that there has been absolutely no improper conduct in relation to restricted documents. The fact is that the Estimates were laid before the House as required within 30 days from the beginning of the financial year and it was after that date that the Opposition knew publicly as they are entitled to do. What effect that has in pre-empting the views of the Opposition is a different matter altogether but it does not constitute improper use of a restricted document. Mr Speaker, there is, as Mr Speaker has himself referred to, a motion standing in my name in relation to certain aspects of the extent of the financial information that the Estimates contain. Therefore, Mr Speaker, in order not to anticipate those issues in breach of Order 47 and indeed not to breach the ruling that Mr Speaker has himself just given, I limit myself to saying that the Estimates now before the House exclude (and in this extent I am doing no more than repeating what Members opposite have already said) substantial items of revenue. I limit myself also to making observations of fact which are obvious and I make them as simple statement of obvious facts without any comment or implied criticism in order to put this debate into context. Firstly, Mr Speaker, according to the 1991 and 1992 Approved Estimates or, where available, 1991/92 forecast outturn, and when neither of those gives the information, answers to questions given in this House, the 1991/92 value of these excluded items of revenue are of the order of £35m. I hasten to add, Mr Speaker, that it is not my case that some of these items are excluded for the first time. Obviously, that is not the case. Some of them have been excluded now for one, two and in some cases even up to three years. That figure, Mr Speaker, constitutes about 35% of total Government revenues, of which this House has no estimates for the current year. Therefore, Mr

Speaker, I say only this and no more on the subject. It should be clearly understood by this House and by the public at large that in discussing and voting upon the Appropriation Bill, this House is considering no more than about, and I accept that it is no more than estimate taken from historical and futuristic data, no more than about 65% of Government's expenditure of recurrent revenue. That is to say, it is an appropriation only of that part of Government expenditure which is spent through the Consolidated Fund. For example, as the Honourable the Financial and Development Secretary has himself said, we get no estimates whatsoever of what the Honourable Members opposite propose to spend on health, nor if indeed they propose to make any.

MR SPEAKER:

I remind the Honourable Member that he is opening himself to the Chief Minister replying to what he says when he winds up. So the more he speaks about that the more he is likely to have the Chief Minister reply later and I cannot stop him.

HON P R CARUANA:

Yes, Mr Speaker, I am very grateful for Mr Speaker looking after my health. I am sure the Chief Minister.....

MR SPEAKER:

It is not a question of looking after you but it is so that you do not object later. The Chief Minister can dispute what you say.

HON P R CARUANA:

So far I am not aware that I have said anything. Most of what I have said has already been said.

MR SPEAKER:

In case you go beyond the point.

HON P R CARUANA:

As far as I am concerned, Mr Speaker, the Chief Minister is free to say what he pleases. Nor, as the Honourable the Financial and Development Secretary has himself also said, do we know how much has been injected into the Social Assistance Fund. Nor indeed how much it is intended to be spent on the purchase of electricity and other items. Fine! That is the extent of the comments that I feel I had to make, Mr Speaker, in order that it should be clearly understood what we are doing in debating this Appropriation Bill. For the remainder, my observations will have to await, in accordance with Mr Speaker's ruling, the motion which stands in my name and which will be moved at some future date. Mr Speaker,

since neither the Consolidated Fund nor these estimates reflect the financial position of the Government of Gibraltar, who can say, except of course, the Honourable the Chief Minister, whether the Government can afford to lower the taxes of the long suffering Gibraltarian taxpayer. Whereas in the past I was always open to the criticism that I was simply advocating tax cuts; because that was an easy thing for opposition leaders to do; in the knowledge that the Government could not afford it, I am now in a happy position of being able to say that I do not know if the Government can afford it because I no longer have in front of me the full picture of revenues and expenditure. What I can say, Mr Speaker, is that the Gibraltarian remains one of the most highly taxed citizen of the western world and that even if the Members opposite; in accordance with the underline philosophy of their economic strategy over the last four years which I understand; have felt that tax decreases were either uncalled for or could not be afforded or inconsistent with the thrust of their economic strategy. That, I accept, is a matter of political judgement for them. It has to be understood, as I am sure they do and accept, that it is not a question of not having lowered taxes. It is a question of having increased taxes as they have failed over the last four years to raise (and of course I am talking about the general body of taxpayer, because I understand that they have been carefully targetted tax concessions, but of course, carefully targetted and therefore not available to the general body of taxpayers) the thresholds and allowances to keep up with inflation and pay rises as they have raised social insurance contributions and rates because of increases in net annual values. They have over the last four years increased the share of people's pay packets that they keep and therefore decreased the share of pay packets that people can spend for themselves. Mr Speaker, on this subject, I have read the Chief Minister in Hansard, as I have read him extensively in Hansard over the last three months over the many years that he has been contributing Budget debate to this House and in relation to his message at the time that he addressed the House in 1989, I think, his message was quite simple and boiled down to something like this - "he will correct me later or even now if he wishes, if he thinks I am doing him an injustice. As I understood his message it was no tax cuts because you might spend this in the Contiente or in some other fashion that does not in my judgement benefit the economy of Gibraltar." Well, Mr Speaker, that, of course, is not a political philosophy that is new. The effect that it has, Mr Speaker, is that it denies to the people their right to spend the greatest possible share of their earnings and income as they choose and as they think fit and therefore reduces their personal freedoms and choice to that extent. It represents, as a political ideology,

the predominant of central state control over personal choice and freedom. Now, Mr Speaker, I do not obviously reduce this point to so simplistic a level at which I do not accept and understand that we must collectively contribute to our collective costs as a community. I will even go further. We must collectively contribute to whatever economic strategy the Government of the day, any day, in any democracy, chooses to guide the economic prosperity of the community. However, given what the Government has already achieved, in the terms of the goals that it set itself, in terms of squeezing the expenditure and maximising the revenue, I would now say, Mr Speaker, that it is time, it seems to us, to loosen the vice on the general body of taxpayers, not all of whom, as I have said, Mr Speaker, have so far benefitted from the Government's very carefully targetted tax concessions. I commend, Mr Speaker, to the Honourable Members opposite, that if they do not feel that the time is right for positive reductions of taxation, that they at least ensure that people's tax allowances and thresholds are adjusted annually so that at least taxation does not increase. A calculation that has been done of the value of the failure to increase thresholds and allowances indicates that they could be worth in the current year about £200 or £230 per taxpayer. Mr Speaker, as I think the Honourable the Chief Minister has admitted, the Government's inability to lower taxation is really an indicator, if not an admission, of the fact that the real underlying business activity has not been buoyant to the point where alternative sources of taxation revenue have enabled the Government to reduce the taxes of others. Mr Speaker, in answer to Question No.3 of 1992, the Honourable the Financial and Development Secretary said that it is currently envisaged that Government borrowing will have reached £100m by the end of this year. I think he also said that it was not presently envisaged that that would have to be exceeded or increased. Mr Speaker, the Chief Minister said in his address, by way almost of jive, that we had accused them of allowing the economy to grow too fast as if we did not want hospitals and housing and all the things that they have built with the steps that they have taken to boost the economy through their own spending. He went on to put his finger on the reason that really did motivate our concern about the level of borrowings. It was that they cannot afford to carry it on. There is a limit to the extent to which the Government can continue to stimulate the economy through infrastructural development using borrowed money for obvious reason and the obvious reason is that there has got to be some relationship between the amount of money borrowed and the Government's ability to service the debt through pay. And therefore at worst, all that we are and were discussing is an element of judgement as to where that level is. I happen to believe that at the current levels it is already in the realms of danger in the sense that we rely on the success of the

Government's marketing strategy and economic plans in order to be comfortably able to carry it off in the future without the servicing cost, both in interest and the capital repayments, impinging on Government's other budgetary overheads. Of course Government will always have enough money to pay the national debt. The question is how much money they have got left after servicing the national debt to do the other things that the taxpayer will expect them to do. Mr Speaker, as at the 31st March, 1992, Government borrowing was, according to an answer given to me in the House, £84.4m of which about £65m had been spent suggesting that Government had about £19.4m left unspent. But, Mr Speaker, I have got to be careful with this subject because there is an element of supposition in my figures because what is not clear, at least not to me, from the Chief Minister's answer to Question No.123 of 1992, as to whether the borrowed money is used by Government to subscribe for shares in companies and then in effect given back by the company to the Government in the form of the purchase price for the purchase by that company of real estate from the Government. Have I now understood it? Whether what he meant was that £65m had gone up that route and come back and had been spent by Government or gone up that route come back in the form of proceeds of sale and still held by Government. I have assumed, Mr Speaker, that the information that the Chief Minister meant to convey to me, was that of the £84.4m that had been drawn down, so to speak, £65m had in effect been dispersed by Government after it had received it back from the appropriate company as purchase price. Therefore, Mr Speaker, having spent (in what I call, alienated way - giving the money away to some complete third party for the purchase of some service) £65m of the £84.4m that was originally drawn down they may have £19.4m left unspent in the real sense. I stand to be corrected on that analysis, Mr Speaker, because of the possible differences in what the Honourable Chief Minister meant by 'spent' when he gave me his answer to that question.

HON CHIEF MINISTER:

Can I correct him now?

HON P R CARUANA:

The Honourable the Chief Minister knows that I am always willing to give way to him.

HON CHIEF MINISTER:

Mr Speaker, I had some difficulty in dealing with Question 123 because the Honourable Member was asking how much of the total national debt had been spent. Of course the total national debt includes the debt of the Varyl Begg Estate and the debt of Hawker Siddley, a debt that

was there thirty years ago. So the answer is that the figure that I gave him was an attempt on my part to give him an intelligible answer. An answer that made some sort of sense to a question that frankly had made no sense at all because at any point in time the total outstanding debt includes all the debt of the Government of Gibraltar since 1704 minus what has been repaid. Now, how can you say how much of that outstanding debt has been spent. Well, the answer is we have some £20m in cash. That is basically the only answer that I can give him to the question. In the amount of unredeemed debt, there is not just debt borrowed by the GLSP administration since 1988, there is also - if the Member looks at the Consolidated Fund charges in the Estimates in front of him - for example, supplier finance for Hawker Siddley for Waterport. Well, that is part of the debt but it has nothing to do with us and that was spent fifteen years ago. So, I tried to give him an answer which showed him how much cash was available because I thought that was the information that he needed.

HON P R CARUANA:

I am grateful to the Chief Minister. I am also happy to note that in fact I made the correct use of his helpful answer because I had calculated it £19.4m in cash that they might have and he says some £20m. The difference is not important for the purposes of the point that I wish to make with it. Mr Speaker, given that according to the Estimates before us and answers given in the House, the Government needs to fund capital expenditure of about £43m through the Improvement and Development Fund, of which about £40m must come from Government's resources, allowing for the various other sources of revenue of the Improvement and Development Fund, grants and aid and reimbursements and things of that kind which amount to about £3m. They need to find, Mr Speaker, about £40m and it is for such things comprising mainly Gib 5, housing refurbishment and painting, land reclamation, New Harbours. Those are the major items; although there are, as Members opposite well know; others. Mr Speaker, this will presumably (and I think I can probably say it more strongly now because I think the Honourable the Chief Minister has himself confirmed it) be financed from Government borrowing or be it through the, now clearly understood, property capitalisation mechanism, which is a concept incidentally that I can understand but do not approve. In addition, Mr Speaker, I notice that there is no mention in the Estimates of the cost to Government of funding the Westside... Well not Westside as it extends to other projects as well; 50/50 Scheme and the Government, told one of my colleagues, in answer to a question, that the total cost of that; on the assumption that everyone entitled to participate in it opted for the full 50/50 participation; would be up to £28m. Therefore, Mr Speaker, on that assumption and given that the projects that the 50/50 Scheme is aimed at are calculated to complete within the course of the current financial year, it would not, I think, be unduly presumptuous of me to presume that Government needs really to fund £68m of capital or capital related

expenditure. That is to say, the £40m provided for through the Improvement and Development Fund plus the Westside 50/50. Of those £68m, Mr Speaker, it has £19.4m; or some £20m in the words of the Honourable the Chief Minister, borrowed but unspent, so to speak, in cash-in layman's terms. On that basis there is therefore an indicated additional borrowing requirement of up to (subject through the rather back-of-the-envelope sort of accounting that all this represents) about £48.6m of additional borrowing requirement, on the assumption that all the items that I had referred to are to be funded during the course of the current financial year and drawn out of borrowing. Government, Mr Speaker, has only £15.6m left unused of its borrowing powers of £100m and we have been told as recently as a couple of weeks ago that the Government does not presently envisage having to exceed those. So, if my back-of-the-envelope mathematics is correct and they have an additional borrowing requirement of about £48m and only £15.4m to go to £100m, it follows that the balance of about £25m will have to come from somewhere else. Mr Speaker, as far as I can see, there are only two possibilities. The first is that some of the revenue not disclosed in the Estimates of Revenue and Expenditure before this House are themselves going to be used to fund Capital Expenditure. That seems unlikely, although, of course, Government could be using that revenue through the Gibraltar Investment Fund to purchase shares in the company that ultimately buys the real estate of the Government so that the only source of capitalisation is not borrowed money but could also be revenue injected through the Investment Fund into the purchase of those shares in Gibraltar Residential Property or GRP or whichever company the Government is now using. The alternative, Mr Speaker, of course, is that the Government plans to borrow money through one or more of its maze of companies and it was in an attempt to establish this that I asked the questions that I asked and got singularly and uninformative answers to in the last question session in the House. In his answer to Questions No.119 and No.120 of 1992, Mr Speaker, the Government indicated that they might well cause Government owned companies of which ministers are directors to borrow money commercially. At least, the answers which could have been 'no' were not 'no'. Therefore, until the Honourable the Chief Minister or one or other of his colleagues tells me that that is not a serious possibility, I must assume that it is a serious possibility. The Hon the Chief Minister also said in answer to Question No.119, that the debts of any such company is a matter for that company to determine pursuing its commercial interests. Mr Speaker, that attempt on the part of the Honourable Member opposite to distinguish; hypothetical as it is in the sense that what I am saying is based on my conclusions from the figures before me and from the answers that the Chief Minister has given to me in this House; between Government borrowing and

borrowing by wholly-owned Government companies is, in my opinion, untenable and simplistic for the following two reasons. Firstly, it seems to me, at least, inconceivable that any Gibraltar Government should allow a company owned by Government and of which ministers and civil servants are directors to default on its debt. Such debt, of course, is not technically the public debt of Gibraltar. But the moral obligation of a government to ensure that a company owned and controlled by it does not default, in my submission, extends beyond the realms of legal legality, technicality and liability and therefore my point does not depend on whether the Government is guaranteeing this borrowing or has not guaranteed this borrowing. I say "guarantee this borrowing", Mr Speaker, because I notice that in answer to one of my questions the Chief Minister gratuitously added that point, in answer to a question that really did not call for it. He added "but none of this borrowing is guaranteed by the Government". Fine! In my opinion, it does not distinguish between whether that guarantee exists or not. The criteria is whether it is a Government owned and controlled company. Mr Speaker, of course, if the borrowing were to take place through some company or other into which the Government may be transferring publicly owned housing stock, then presumably even less could Government afford to allow such a company to default without ultimately endangering the public housing stock. For these reasons, Mr Speaker, any attempt to distinguish between Government borrowing in the sense of public debt of Gibraltar and borrowing by politically owned and controlled companies will be, in practice, an untenable distinction. For all real, practical purposes the borrowing of any company that Government owns and controls especially if it controls them through ministers of the Government especially civil servants who sit on the Board. I do not say that the Government cannot invest in some trading venture and then say "well I am not responsible for the losses of that trading venture". That is a different matter. But trading ventures of that kind will not presumably be controlled directly by ministers and civil servants. Mr Speaker, for those reasons, it would, if it happens, in my judgement and opinion, be practically impossible to distinguish between the public debt of Gibraltar and the debt of those companies. It will be also, in my opinion, scandalous if Government were to refuse to give the House details of such companies' debts on the grounds that because they were companies, the Government was not accountable to this House for their finances and debts. That was implicit in one of the answers that the Chief Minister gave me in the series of questions that I asked. It will, therefore, render it impossible to obtain details of the real public debt of Gibraltar for, I repeat, any prudent person would regard such debt as the public debt of Gibraltar, especially if owed or guaranteed by a company into which Government had injected public housing stock. This, Mr Speaker, would not be anything new in accounting terms. It is no more and no less than the well known but frowned upon practice of off-balance sheet

borrowing. Much of the above is speculative and drawn, as I have said, from the logical consequences of what the Government is doing, from the figures before the House and from answers given to questions. It is speculative but I suspect it is not a million miles from the reality and given Government's failure to put financial information clearly in the public domain, such speculation, Mr Speaker, is the best that I at least can do. During the last year or so, as the Chief Minister has mentioned on several occasions, we have raised the question of the extent of the public debt and indeed the Honourable the Chief Minister has raised it in his own address. The Government justifies a given level of public debt by stating it as a percentage of GDP and comparing the Gibraltar ratio to that of other European countries to show that our debt is not excessive by comparison. Well, certainly, Mr Speaker, I probably subscribe to the same OECD publications as the Honourable the Chief Minister and that is clearly a legitimate measure of the prudence of the level of the public debt. The Chief Minister has really pre-empted one area of high address with his, again unsolicited explanation as to the computation of GDP, because it is important that if GDP is going to be used as the criteria to measure the prudence of the level of public debt that those of us who have a public duty; whether or not the Government likes it or whether or not we like it; to keep tabs on the Government on such things as the level of public debt, we have to have some insight into the mechanics for the calculation of the Gross Domestic Product. Otherwise, we risk criticising the level of public debt in comparison to or as a percentage of GDP when, if we cannot evaluate the accuracy of the GDP calculation, really we are almost spitting into the wind, literally because very often those answering back have much more information and the spittle often reaches back straight on to the face. So, Mr Speaker, I would welcome a statement from the Chief Minister as to how the GDP figures are compiled. We know from his frequent repetition of the point. I think it was in the 1989 or possibly in the 1990 Budget that he gave a lengthy explanation as to the change from GNP to GDP and then the change from computing GDP by addition of expenditures into additional revenues. That much, but not much more, I know as to the mechanics for the computing of GDP in Gibraltar. So we know that it is an aggregation of incomes but who compiles it, Mr Speaker? What is the exact formula used and what are the sources of information used in respect of each constituent element of the formula? I would urge the Honourable the Chief Minister to reach, as quickly as possible, the point where GDP is a statistic that was regularly published. Obviously by the nature of the calculation it is not going to be much more than quarterly or perhaps even half-yearly. But when we know what the sources of statistics are exactly, we shall be able to gauge how reasonable it is to ask for the statistics to be produced more frequently than it presently is. Mr Speaker, one of the aspects that concerns us in relation to GDP is that, of course, there is a substantial contribution - difficult obviously from one year to another to calculate as a

percentage - but somewhere between 25% and 40% that Gross Domestic Capital formation plays in relation, not only to the basic GDP, but more particularly, I think, to recent growth in GDP. Mr Speaker, determining the prudence of the borrowing level in relation to GDP could be dangerous given that there is no direct and immediate connection between the Gross Domestic Capital formation and increases of Government revenue which is presumably why another measure of the level of public debt used by the OECD is interest servicing cost as a percentage of total Government expenditure which is measured by total current revenue. The reason is obvious, Mr Speaker. Ultimately Government's ability to service the debt is not determined by how many floors of Europort have been built or how many blocks of Westside have been built or how many kilometres of new drains have been laid along Queensway, but on whether Government enjoys the revenue, through taxation, to pay the debt and in the meantime to service the interest. Using this measure, in other words, interest servicing cost as a percentage of total expenditure measured by total current revenue; the public debt of Gibraltar would seem to be higher than in most European countries. The smaller country average for 1992, according to the OECD economic review for December, is about 7%, whereas on the basis of these Estimates and last year's forecast outturns (and I understand that using historical data in relation to future borrowing service cost is not an exact science but using the information available to us on this side of the House) the local ratio is about 10%, slightly less if you choose to include in Government's total recurrent revenues social insurance receipts. I think, the figure then comes down to about 9.2 or 9.3. Mr Speaker, at paragraph 255 of his report to the Government of Gibraltar accounts for 1989/90, the Principal Auditor cites figures for the debt service cost in relation to the three principal sources of revenue, namely taxes on income, import duties and internal revenue. This he calls the debt service key revenue ratio and as at March 1990, this ratio, in relation to the public debt then outstanding, was 6.41%. Using current year estimated debt servicing costs and last year's forecast out-turn of the same items of key revenue including company tax; which I cannot glean from the Estimates but I can glean from the answer that the Financial Secretary gave me in the House a few weeks ago; the current figure would appear to be about 14%. I made the same qualification that I am comparing estimated revenue figures with more certain revenue servicing costs and if the revenue figures are understated in the Estimates - as well they might be - then of course the percentage will move down from 14% to something which was lower but the extent is not something that I can comment at the moment. The fact of the matter is that on the figures presently, publicly available, the debt service key revenue ratio has moved from 6.41% of key revenue in March 1990 to about 14% for the current year. Mr Speaker, furthermore, and as the Honourable the Chief Minister has himself anticipated in his address, as

construction projects come to an end, and if not replaced by new projects on an equal scale, Government's revenue from income tax will also decline, further squeezing the Government's revenue from which to service the increasing debt. Ultimately, therefore, I suppose, that Government is relying on attracting new businesses and customers to Gibraltar to occupy the new space and to swell Government's revenues with additional taxation receipts. There was a point in the Chief Minister's address where I began to wonder whether somebody had not provided him with an advanced copy of the text of my speech. Mr Speaker, when I have in the past described the envisaged levels of borrowings as a gamble, this is what I meant ie that whereas the debt servicing costs and ultimately the liability to repay the debt were a certainty, the anticipated increased Government revenues were not. The success of initiatives taken to attract new businesses to Gibraltar, Mr Speaker, is yet to be seen. We - and I say this with complete sincerity - wish the Members opposite every success in this crucial task and I do more; I offer them our assistance to whatever extent they may consider that we are in a position to help. Perhaps, Mr Speaker, it is the delicacy of our economic situation that makes us more, or perhaps even unduly, anxious about carrying high levels of public debt in these uncertain times. Mr Speaker, the Honourable the Chief Minister said - let me quote him accurately - that I was not to worry. He told me this also at the ceremony for the opening of the St Joseph's School about the question of public debt because they were making prudential provision to repay this. Well, Mr Speaker, that may well be true. I cannot any longer check the sufficiency of the provision being made, of course, because presumably it is now being done from sources of revenue in respect of which we no longer have estimates. If I can then now move on to the question of employment-upon which my colleague Hubert Corby will also comment later - Mr Speaker, as we see it, the prospects in this area look uncertain if not bleak. The number of expected job losses from some already well posted sources, as the Ministry of Defence and the PSA cutbacks and reorganisations, could very easily, be swelled by job losses in the private sector, in tourism, in retail trade and in the finance centre. In the sort of things that the Members opposite no longer like us to call pillars of the economy because the pillars of the economy are now land and people and not such things as tourism, the finance centre and trade which come and go from one year to the other. Mr Speaker, we on this side of the House, are genuinely concerned that unless the Government succeeds in attracting new industries to Gibraltar, it is the traditional sectors - let us not call them pillars, let us call them the traditional sectors - of economic activity in Gibraltar to which Gibraltarians will have to increasingly look to to provide durable jobs. These sectors, Mr Speaker, in which non-Gibraltarian labour is often under-represented as a percentage of the whole. It will be necessary, to train

larger numbers of Gibraltarians in a way more directly than the Honourable the Minister for Education, Culture and Youth Affairs who has responsibility for these things, is so far doing through the Vocational Cadets Scheme; to put more Gibraltarian youth directly into the finance centre; to put more Gibraltarian youth directly into the construction industry, as the Honourable the Chief Minister has himself highlighted; to put more Gibraltarians even into the tourism sector if and when that gets going. Mr Speaker, there are many, many posts presently occupied in the area that I understand best of all those that I have mentioned - the finance centre - which are screaming to be filled by Gibraltarians which I regret to have to say are not yet leaving school in the right frame of mind to grasp the opportunities. Because, it follows that if a finance centre operator in Gibraltar needs to employ a legal assistant, a legal secretary, a companies clerk, a trust officer, any number of the services of the school requirements that the finance centre requires, that it is going to be much cheaper for overseas players in the finance centre to employ Gibraltarians than to move employees to Gibraltar as many are now doing in far too large numbers for my liking. They could employ the people that we have available in Gibraltar. We could employ our school leavers. That - and I say this to the Honourable Minister with responsibility for this area, with as much degree of construction rather than destruction that I can from these benches - is a matter which I would commend for him to give much more attention and much more direct input. That is the whole question of retraining for targetted areas of business activity in Gibraltar. Mr Speaker, our information and indeed the experience of those of us that are involved in the various areas of local business, is that volumes of business are down in Gibraltar this year in practically all sectors of the economy excluding, of course, construction. They may also be down as projects wind-down but that is not something that I have statistical information on. In the retail and tourist trade sectors, our information is that volumes are substantially down on last year except perhaps in certain sectors of the food and tobacco retailing trade where volumes are kept up by brisk and regular shoppers from the immediate hinterland. Such visitors are also, it appears, substantially boosting the sale of petrol with petrol stations reporting good levels of trade. However, Mr Speaker, the quality shopper - dare I say to the Honourable Member the Monaco style shopper - is not coming to Gibraltar in sufficient numbers and accordingly the quality goods sector of both the retail and the wholesale trades in Gibraltar is feeling the pinch very badly and eventually all these things will tell on Government revenues. Additionally, the reduced purchasing power and disposal incomes of large numbers of Gibraltarians, who have now taken on mortgage commitments for the first time after the purchase of a home, is also having a very negative impact on the retail and wholesale trades. My information, is that redundancies are now threatened in this sector. Indeed only last Friday, I was in, what one would call a leading

retailer in Gibraltar, when I was informed that on that very day they had made redundant two Gibraltarian members of staff. My colleague, Mr Vasquez, will comment at greater length on the pitiful state of the tourist sector. Hotel occupancy figures speak for themselves and are very poor. Expo-visitors are not or at least have not yet - the season is too young so to speak - visited Gibraltar in great numbers. Businesses in these sectors are under severe pressure. Government, will no doubt continue to blame the ever-distant Gulf War and the recession. More objective commentators, Mr Speaker, will attribute the lion's share of the blame to Government's lack of a coherent policy in relation to the important tourist sectors. The prospects of redundancies in this sector are even greater. Mr Speaker, moving briefly to the finance centre; the levels of business there are also in a depressed state. Some sections such as the level of bank deposits, may show an adequately reducing rate of increase but these are not the job hogging sectors within the finance centre industry. The bread and butter of the sector is company and trust formation and administration, fund management, insurance vehicles, shipping business and the like. They are the activities that create employment. Banks do not employ additional people in the droves because their head office books £500m of deposits through the Gibraltar operation as opposed to through the Panama or Luxembourg operation. Mr Speaker, the company sector has suffered very badly, partly from the global recession which, of course, reduces the demand for products of the finance centre type, but mainly from Spain's new taxes on foreign companies owning properties in Spain. We still do not have clearance, at least my latest information is that-if the Chief Minister can presently surprise me I will be delighted to give way to him again - we still do not have clearance from the DTI on UCITS or for the benefit of those who do not relate the initials to the activity basically of fund management. Accordingly, Mr Speaker, business which had been targetted for growth and development in recent years has simply failed to get off the ground and we are gradually enjoying the reputation of a finance centre that promises things in advance and then for one reason or another invariably for reasons outside our control, we simply do not deliver. Mr Speaker, to the extent that our economic fortunes in the future may be linked to the success of the finance centre, then that is a task to which I would commend the Honourable Members opposite as much time as they possibly can spare to. Mr Speaker, last year I had occasion to address the House at length, and therefore I will not do it again, on the subject of the shipping registry which is a matter in which I felt I had a degree of expertise which the Members opposite may have found useful. I highlighted the reasons why in our operational experience the shipping registry was going through a period of rapid decline. I have to say, Mr Speaker, that the demise of the shipping registry has been a veritable tragedy. Victim, in our view it has to be said, of both lack of Government attention and excessive DTI interest. I had occasion, as I have said, to mention

this last year. It is with great regret that I note that the position has deteriorated further. Gibraltar now has only about thirty ships; down from about one hundred in recent years. The Ship Registry, Mr Speaker, provides attractive levels of business to the finance centre. Not just because of the registration work in relation to the ship itself but because each ship registered invariably requires a company and bank finance documentation and the shipping company work has traditionally been one of the higher value sections of the finance centre and knowing now as we do, having heard the Honourable the Chief Minister, that we must find things to sell with the highest possible value added that this is one sector of the finance centre that I commend to the Honourable Members opposite not to disregard. I hear little rumours through the grapevine, Mr Speaker, that there may be plans imminently to bring in some distant organisation from across the pond and I understand to run this. Well, frankly I will have to reserve my comment on whether I think the step is good or bad when I hear the details. But, certainly any initiative that will revive the shipping registry will be very welcomed from this side of the House. But, I caution the Members opposite, not to fall into the trap of assuming that the decline in the shipping registry and shipping related business has been due only to-or at all, even I would go so far as to say - lack of professional presentation, to lack of effort on the part of the professional operators involved or even to the performance of the staff at the shipping registry. The fact of the matter is that the reasons for the decline in the Shipping Registry are the ones which Honourable Members will be able to read in Hansard from my maiden speech to the House last year. They have not changed and until they are tackled, you can bring as many American managers for the Ship Registry as you please, they will not impact on the registry business.

MR SPEAKER:

If the Honourable Member has to go on for much longer, I think we should have the recess now.

HON P R CARUANA:

He has got a bit longer to go.

MR SPEAKER:

Then I think we better recess now.

The House recessed at 5.00 pm.

The House resumed at 5.25 pm.

MR SPEAKER:

The Honourable and Learned Mr P R Caruana can continue now with his contribution.

HON P R CARUANA:

I am obliged, Mr Speaker. Just before the recess for tea I was commenting that levels of business in the shipping registry had all but pitted out and with it the ancillary shipping related business that goes with it. The two new products that have been promoted for the finance centre, namely the Gibraltar 1992 Company and the High Net Worth Qualifying Individual Certificate have yet to prove their worth. So far they have not generated significant levels of business. But of course, Mr Speaker, it is very much early days and we shall have to wait and see. My personal opinion is that it has been a mistake to call these fortunate people, high net worth individuals and to issue them with high net worth certificates. This is a red rag to a bull to any tax authority abroad and therefore difficult for Gibraltar's clients to produce wherever it may be that they have to produce them. Some other form of special certificate of residency or some fiscally neutral title would have been better. Of course, I do not doubt that if this should be Government's feedback from other sources that they can change the label quite easily so that such negative impact as the unnecessary title that they now enjoy has, can be rapidly corrected. With respect to the Gibraltar 1992 Company and the European Community Parent/Subsidiary Directive, it looks unfortunately as if Member States are legislating so called anti-directive shopping devices that may render Gibraltar unattractive for the intended purpose. We shall have to wait and see whether the establishment requirement that the local regulations require are sufficient to overcome these anti-avoidance regimes. I understood that certainly two; France and Spain and possibly four countries have so far introduced these. There is also difficulty, Mr Speaker, in persuading potential clients that the Parent/Subsidiary Directive applies to Gibraltar. Whilst we know that it is a matter of law, it does. The Directive's failure to specifically refer to Gibraltar and the Commission's failure to date to provide the requested confirmation, is producing marketing difficulties. I am, however, happy to report that at least one European Community country other than the United Kingdom, has so far, to my knowledge, accepted that the Directive does apply to Gibraltar. Therefore, Mr Speaker, having concluded that brief review of what I call the traditional economic activities in Gibraltar, I have to say, that the indicators of that economic activity and prosperity point to a sluggish level of basic economic activity. I use the word 'basic' to distinguish it from buoyant sectors such as construction. The traditional indicators, Mr Speaker, such as the level of employment,

which is for reasons that we know, historically high-although the Honourable the Minister for Labour and Social Security reported a small decrease in the House last month - and whilst this is welcomed and we hope it will continue, if the fears that we on this Side have, materialised, I suspect that we have not seen an employment peak in the private sector in Gibraltar. Tax levels, as I have said, remain high. Government's take from personal taxation is not estimated even to keep up with inflation. Government borrowing is high and rising. Levels of business activity in practically all sectors of the economy is static or down. To the man in the street who sees the street economy and not the economy that is thrown up by statistics that an economist would have before him, this is not the stuff of which buoyant economies are made. Yet paradoxically the Government reports impressive growth in GDP over the last four years and continues to project growth albeit at reduced levels. This continuing growth, Mr Speaker, must be substantially attributable and the Chief Minister, has to a degree, confirmed it; to the very high level of both private and publicly funded construction in infrastructural development rather than to any buoyancy in the underlying economy. Government spending on such projects as Gib 5, New Harbours, St Joseph's School, Reclamation and all the other items that I mentioned before, would have boosted the economy but I would venture to suggest that whilst they have boosted the economy, the stimulant effect of that degree of infrastructural investment in Gibraltar; be it public or privately funded, is not as large, even proportionately in the economy of Gibraltar as it is in the economy of larger countries. I suspect, Mr Speaker, that that is so because in Gibraltar there was of course a predominance of immigrant, expatriate and frontier workers in the construction trade and obviously of important building materials, since we produce none of those ourselves, except within the Gib Components but even then the raw materials are imported. Much therefore of the economy-boosting equalities of this infrastructural development is being exported from Gibraltar in the form of material costs and labour and that the economy boosting aspect characteristic is really limited to the employment, the Government's take from the PAYE paid by the immigrant labour and by such other employment that the construction industry is having as a spin-off effect whilst the employment continues. But I think, it must be right, that £100m of infrastructural development in an economy like Gibraltar boosts the economy generally much less than the proportionate equivalent in the United Kingdom of what £100m is to our economy because much less of that boosting quality is exported from the United Kingdom, because they produce their own raw materials, the labour collects the money in England, spends it in England, it circulates in England and does not get sent-off to Spain, Morocco or Denmark. Mr Speaker, turning to the question of pensions, it seems to me, that the problems of the Spanish pensions loom once again in 1993. The Chief Minister has not announced any further or extended temporary arrangement with the British Government nor any permanent solution and therefore presumably, Mr

Speaker, non exists. I presume also that the position of the Government remains that it will not pay certain of the Spanish pensions. Whilst I do not underestimate the significance in size of this problem, nor the difficulties that Gibraltar faces from it, it is also unsatisfactory that our own pension arrangements should remain in doubt or unpublished as it is unsatisfactory and undesirable that the regime of supplementary benefits and social assistance should remain substantially extra-statutory and apparently, at least in part, arbitrary as at present. Mr Speaker, I believe that the people of Gibraltar wish to know what the situation is going to be in relation to pensions come 1993 and I would, therefore, urge the Chief Minister to restore this issue to the public domain without further undue delay. The Government must know, that the present position is not a great secret to anybody and, therefore, it is difficult to know what legitimate and useful purpose is continued to be served by the veil of secrecy shadowing this entire area. It is not, I repeat, Mr Speaker, as if all those that we preferred did not know, do not know. Moving on to the question of GBC, that I have raised before, I note that the Bill that we are debating includes a vote for GBC of £570,000. My information, Mr Speaker, from a completely reliable source is that this level of subvention is completely inadequate. Of course, one of the many effects of the incomplete picture of revenue and expenditure that we have before us today, is that we do not know the extent to which that subvention may be supplemented from Special Funds and if it does not or if there is not a supplementary appropriation during the year, GBC cannot survive on the level of subvention represented by the vote included in the Bill. May I remind the House of what the Honourable the Chief Minister said to this House on the occasion of its Ceremonial Opening in 1984? If the Honourable Member will permit and Mr Speaker will allow me to quote from Hansard of those proceedings, the Honourable the Chief Minister said "The Gibraltar Socialist Labour Party is fully committed to GBC Television. We think it is essential in keeping and maintaining the identity of the people of Gibraltar that that service should be maintained. We expect GBC to provide value for money, like we expect everything else to provide value for money, but we are in no doubt about the professionalism and the ability of the staff that GBC employs and the fact is that if we compare television per unit cost in Gibraltar with anywhere else, we find that the service is expensive because we are small. It is not expensive in absolute terms". Mr Speaker, I agree wholeheartedly with those sentiments. They are entirely applicable today, if not more so, given the increased challenge to the survival of our community and our identity within the project that is the new European political order. The only difference that I can perceive and this is a genuine perception, between the position then and now is that then the Honourable the Chief Minister was in Opposition and now he is in Government. Well, Mr Speaker, the present Opposition is as keen now that GBC should survive as he was in 1984 when he was standing where I am standing now. Therefore I commend to the Members opposite

when they are contemplating their proposals for GBC, the strength of feeling with which the Honourable the Chief Minister felt in 1984 that that institution; television had to be preserved and its importance to our identity and the very astute distinction that he drew between being expensive in absolute terms and being expensive in cost terms. Mr Speaker, moving on now to public utilities, as Government has successfully injected public utilities into joint venture companies, one of the items that is understandably disappeared from the Estimates of Revenue and Expenditure is these utilities, since neither the income from nor the costs attributable to them, accrue to the Government. Let me hasten to add that I fully support the Government's policy to inject capital and technology-intensive utilities into joint ventures with leading private sector operators. I regard it, in principle, as one of the notable successes of their first term in office. However, Mr Speaker, I also believe that this House and the public at large is entitled to know the terms of the contracts by which public assets and public utilities are at least semi-privatised or fully privatised, given that the whole of them are injected into a private company and that not even the Government's share of that company is accountable for in the House. So "fully privatised", in the sense that it all moves from the Government domain into the domain of a private company. Mr Speaker, as this House knows the Government refuses to disclose those contracts. In answer to Question No.51 of 1992, the Honourable the Minister for Government Services said and I quote him, Mr Speaker, from Hansard, "When entering into contract with Government, reputable international companies, such as Nynex and Lyonnaise include normal clauses of confidentiality which both parties are bound to respect". Mr Speaker, may even recall the, now traditional, jives emanating from that side of the House at we lawyers as to how we are the people that write all these completely unnecessary clauses into these equally unnecessary long contracts. I do not believe that this is or should be so. The terms upon which Governments do business with the private sector are determined by Governments and not the private sector companies. I am gratified, Mr Speaker, to read that in 1988 - and if he is not impressed with anything else that I have said so far, the Members opposite must at least be impressed to the amount of reading of the past Hansards that I have done in the preparing of this speech - the Honourable the Chief Minister felt exactly the same way. This is what he had to say in the House during the 1988 Budget debate about the AACR's inclusion of a confidentiality clause in the GibTel Contract with British Telecom and I quote him from Hansard. Mr Speaker, you will recall, that this was a contract that the previous administration had signed before the election and they were basically

Interruption

.....and when the AACR took the somewhat imprudent, in my view, line of trying to complain that there was a confidentiality clause, the Chief Minister handed the ammunition on a plate. Of course he did not fail to remind them that he was simply stuck with something that the AACR had signed. But this is what he said in commenting to that and I quote him as of now "However, I have to say that the agreement between the Gibraltar Government and British Telecom contains a clause which says "we cannot make it public", which we regret very much because we would dearly love to make it public and satisfy not just Members on the other side but the whole population of Gibraltar. But I am afraid that we did not sign that Agreement. That was signed on the 27th December by the AACR administration. We certainly would never have accepted a clause in an agreement that prohibits the Government from making the agreement public but that is what it says. If we can get the other side to agree to free us from that restriction we shall be delighted to make the agreement public but because there are certainly many questions we would like to ask those who signed the agreement". Well, Mr Speaker, that is my position today. There are many questions that I would like to ask those who signed these agreements. The only difference is that now the Honourable Member cannot tell me that he is stuck with an agreement that somebody else signed. Worse, he is stuck with coming to this House and allowing one of his Ministers to tell us how these things are inevitable; how he is stuck with these clauses which he said in 1988 would have been entirely and was entirely, unacceptable to him. Mr Speaker, if contracts entered into by the GSLP Government since 1988 for the privatisation of public utilities, contrary to the Chief Minister's view expressed in this House in 1988, include a confidentiality clause, then I say that it is incredible given what the Chief Minister himself said in this House at that time. Therefore I call once again upon Government to make available to the Opposition copies of the various utility agreements related to water, electricity, telephones and refuse incineration and if a confidentiality clause exists in any of these contracts, then to renegotiate it or to negotiate waivers from them. It is as unacceptable to me now as it was to him in 1988 that such contracts should have such clauses, therefore depriving me of the opportunity to ask those who have signed them pertinent questions about them. I now wish to deal with several matters close to the interests of this House and all those who work in it. Mr Speaker, your staff comprises three persons, the Clerk, the Usher and the typist. We on this side of the House, except my colleague the Honourable and Gallant Gentleman sitting beside me, are all new comers to this House and we are tremendously grateful to them for the assistance given to us and despite their great pressure of work the spirit of friendship and cooperation with which that help has

been given. However, Mr Speaker, I have to say that in my opinion there is a grave shortage of staff in this House. This is most evident in the inordinate length of time taken to produce Hansard which often makes the conduct of parliamentary business more difficult for the Opposition, at least. It is simply not reasonable to expect Hansard to be produced within a faster more acceptable timescale if the Clerk and one typist have got to audio type, check and compile Hansard. It is essential if the work of this House is to proceed in a proper manner that the necessary resources are provided so that Hansard can be produced more expeditiously. In this respect, Mr Speaker, it is with great regret that I note that far from increasing the staff levels, the Government proposes to reduce expenditure on staff personal emoluments from a forecast out-turn in 1991/92 of £74,100 which may in part have as an explanation the general election campaign to an estimated £58,100 in 1992/93. I would be grateful to the Honourable the Chief Minister for an explanation as to how this saving is to be achieved and how it can be justified given the already insufficient staff level at present. Mr Speaker, another source of irritation to Members on this side of the House and an obstacle to the legislative work of this House is the outdated and therefore unreliable and unusable state of the laws of Gibraltar provided in the House for use of Members. Mr Speaker, it seems to me essential that legislators should have access to usable, up-to-date, existing laws so that they know what it is that they are being asked to amend. It really is very difficult, I would say impossible, for a Member of this House that is not a lawyer - and even for those that are, I can assure, that it is no means a simple task - to find out what the written statutory laws of this land are. Therefore, Mr Speaker, I would urge Government not to wait, at least insofar as the laws available to legislators are concerned, until they do some study as to how this problem can be solved on a permanent basis for the whole of Gibraltar, but they must make available to this House, as a matter of urgency the necessary resources for those books behind me to be brought up to date and kept up to date, at least on a cut and paste basis which I am sure is what happens in the offices of the Honourable Members opposite and in other private offices in Gibraltar. It really is not acceptable, Mr Speaker, and I am sure that in the depth of his views, the Honourable the Chief Minister knows, having spent seventeen years on this side of the House, just how prejudicial it is to the work of Members of this side of the House if they simply cannot find out what the existing law is. When the Honourable Members produce a Bill amending this section or that, it is very difficult to form a view on it when you cannot even check easily what the 'this' or the 'that' that they are trying to amend is. Finally, Mr Speaker, in relation to matters of interest to this House, I note that there is no vote for a register of electors. Honourable Members opposite, may be aware that large numbers of voters estimated at a figure in excess of one thousand were unable to vote

at the last general election due in no small measure to the great rush and I would urge no-one in this House especially nobody from the professional civil service to interpret this as a criticism of their effort which it is not and it is not intended to be. But the fact of the matter remains, that the register of electors of Gibraltar as it presently stands disenfranchises a significant number of people in this community. Therefore, I think, it is incumbent on the Government to produce a supplementary register forthwith, after all, one never knows when we might have to have a referendum or a bi-election or even, dare one hope, a general election. Mr Speaker, when in my speech in the ceremonial opening of this House a few weeks ago I said that it would give me great pleasure to see the Government's economic policies prosper, I was not uttering empty words. I reaffirm them now as I have done earlier in my address. In our position, however, I think, we are both duty and politically bound to distinguish between hope and even anxious expectation on the one hand and the realities as they are unfolding at present on the other. Present realities, as we see them, is one of increasing pressures on practically all fronts of national and personal economies. Stagnant business activity in practically all sectors. Failure on Government's part to implement a real policy to stimulate tourism. Historically high level of unemployment and serious threat of further redundancies. Historically high levels of Government borrowing and more promised and expected. Historically high levels of personal borrowings by Gibraltarians coinciding with a diminution in the historical job security enjoyed by people in Gibraltar. Empty offices and more coming on stream. Empty hotel rooms and more coming on stream. Empty shops and more coming on stream. Empty residential development units and more coming on stream. What we have, Mr Speaker, is economic growth being stimulated by supply-lead gross domestic capital formation in the hope that we will now be able to stimulate the demand that will convert that into increased economic activity and to increased revenue. The Government, Mr Speaker, has, over the last four years, very successfully distinguished between the period of infrastructural preparation on the one hand and the period of marketing and business-getting on the other. I think, the Chief Minister, has himself recognised in his address that the former is now all but finished and the latter is upon us, the time to deliver has come. The people of Gibraltar, foreign investors and this Opposition alike are looking..... I can quite understand the sudden attack of nervousness from the Gentleman opposite. The time has come to deliver on people's raised expectations. It comes as no great surprise to me that the Chief Minister in his own address has put a perspective on the outlook which will certainly give those that may have had high expectations to dampen them and keep them within the bounds of what is going to turn out to be achievable in the next four years. But, as I say, the people, foreign investors and this Opposition alike are looking on to see the extent to which Government is able now to implement policies that will deliver sustainable

economic self-sufficiency at an acceptable level of standards of living. The Honourable the Chief Minister said in his address that we face problems that Government normally do not face, in relation to the generation of business activity. Well, I do not think, Mr Speaker, that that is true. I think, that that is the position of every service, even foreign trade orientated economy; Holland, for example. Certainly I do not subscribe to the view that the position faced by the Government of Gibraltar today is one that is exception amongst Governments. I think it is very common amongst Governments of small territories. It is even common amongst Governments of larger countries and, therefore, it is by their ability to create in Gibraltar, an environment in which business can be done successfully that the electorate is bound to judge them in the next four years. That is unless they cannot produce just before the election some red herring with which to divert public attention. As far, Mr Speaker, as the rainy day fund is concerned; to which the Honourable the Chief Minister referred; in other words a fund in which we would invest outside of our economy; I understand that, in fact I can accept and agree, that if you have a problem of insufficient production because your own ability to produce, be it through shortage of raw materials, through shortage of customers or through shortage of labour force, is restricted and restrained, that one way that you can generate income profit from that is in effect to hire the labour forces in other countries to earn income for you. This can be achieved obviously by investing in other peoples' labour forces, in other peoples' factories and in other peoples' raw materials. So far I have no difficulty whatsoever, I have to say though, Mr Speaker, that I was surprised, not to say a little bit disquietened, by the (and we do not wish to be unfair to him. He may leap to his feet now or later if he feels that I am being) suggestion that this fund would invest in the Stock Exchange. Now I can understand that investments in the Stock Exchange have the advantage that you can more rapidly convert them into money if money is what you need from the rainy day fund. If what the Chief Minister has explained is some form of speculative investment with public funds on stock exchanges, then, I do not recommend that practice to him or to anybody else. If, on the other hand, what he means is that he is going to invest in factories and in economic activities as a direct investor but that where possible he is going to try and choose businesses whose shares, albeit that they may be small businesses, are quoted on some market, so that when the time comes he can sell them, then that is a different proposition. But, I would certainly welcome the Chief Minister's confirmation that the rainy day fund is not going to be a fund for the buying and selling on a speculative basis of shares in ICI and BAT and Hanson Trust and any other companies of that kind.

HON CHIEF MINISTER:

We are talking about the same investments, Mr Speaker.

HON P R CARUANA:

I am relieved to hear it. I am grateful to the Chief Minister for that clarification. In relation to the Gibraltar European Investment Trust, I think, reading between the lines, what the Chief Minister is suggesting is that this is going to be some fund in which, members of the public can invest, which is presumably why the Companies Ordinance presently does not permit it. He presumably wants some form of open-ended investment company. I think, that ultimately, Mr Speaker, that is to be welcomed as a means of giving the people of Gibraltar and others a vehicle in which they can invest for the ultimate benefit of the community as a whole. Of course, it goes without saying that such a vehicle would have to have complete transparency in relation to its finances, and accounts and no doubt all that will be provided for in the legislative proposals because at the stage it will not simply be a question of excessively curious Leaders of the Opposition. It will be more a question of excessively curious investors who want to invest unless all these accounts are up to date and perfectly visible for all to see. The last item that I wish to address relates to section 4 of the Appropriation Bill itself. Mr Speaker, you will be aware that section 4 is a device (which again is not new. It was in last year's Appropriation Bill) which in effect allows the Financial and Development Secretary to reallocate appropriations from Head 19 Reallocations and Subventions, Subheads 6 - Minor Works and Repairs, Subhead 7 - Pay Settlements and Subhead 8 - Supplementary Funding to any other Head of Expenditure specified in Part I of the Schedule. Put another way, that any sums of money mentioned in Subheads 6, 7 and 8 of Head 19 can really be spent on anything else. Anything! Not even limited to the equivalent, in other words, not limited to minor works under any Heads or not limited to pay settlements which any other Heads, to supplementary funding - obviously that is general and by definition has got to be spreadable to other Heads - otherwise it does not serve the purpose. Mr Speaker, I have to admit that last year when I was a complete freshman in this House, I recall voting in favour of the Appropriation Bill with a similar device in it. I now wish to exercise my right to change my mind and I have to say that I think that this is an unhealthy, unsalutary practice. Because, Mr Speaker, given all the other difficulties that I have with Government's presentation of financial statistics - which are now well known and which we are going to debate at length and at heat later on - it really gives the Members opposite a device which if they wish to - and I do not attribute to them any mala fides - further circumvents the element of control that this House has on Government expenditure through the Appropriation Bill. It does not of course affect the total quantum of

appropriations but if I vote now £1m for wage settlements there is nothing that I can do to stop the Honourable the Minister for Trade and Industry spending it on another kilometre of drains for Queensway. Therefore, it is not that I have no control over the total Government's spending, it is that I lose control over what the Government spends it on and abused, this device will enable the Government next year to put £10m under the supplementary funding and then transfer them to whatever pleases them during the course of the financial year. It is, therefore, a device, Mr Speaker, which further diminishes the impact and control that this House exercises over what the Members opposite spend the money that you vote for them on exactly. Mr Speaker, that concludes my address.

HON J C PEREZ:

Yes, Mr Speaker, empty arguments and, regrettably, more coming into stream following the dire straits of the Honourable Member when he was referring to everything that he states is empty. You see, the problem with the Honourable Member is that he has not fulfilled his role at all as an alternative Government in that he has said that he hopes that the economic policies of this Government will actually come into effect, but has not offered any alternative policies if he were on this side of the House. Let me say that the Government is certainly on course and that the picture that the Honourable Member has painted of a dire economic scenario is not wholly untrue. The Chief Minister himself has referred to the economic problems that Gibraltar is going through and to the economic problems that we are encountering as a result of the world recession. But to conclude by saying that the only thing that the Opposition offers is hope; that everything will come good to the Government although they think it will not, frankly, proves that they are themselves bankrupt of ideas and alternatives. The only things that the Honourable Member has come up with are academic points as to the presentation of the estimates, criticism of Government policy based even on rumours, without putting forward any alternative policies himself, in the hope that the Government's policy will come true. Well, they will. Look at the record of the GSLP Government since 1988, at what has happened and at what we have said we were going to do, at what we have said was going to happen. Look at our record in 1988, 1989, 1990 and 1991. No-one can say that what we predicted did not come true in terms of the Chief Minister's own economic forecast. No-one can say that what we stood for in the general election of 1988 we did not fulfil. No-one will be able to say, not in 1996, but at the end of the next Financial Year that we have not kept to our target. We are not saying we are going to protect the unemployed. We are saying we are going to keep to a figure of 14,000 people in employment. That is a commitment. That is a figure. We are committing ourselves to it and we are committing ourselves to it because we are sure of our success even though

the Honourable Member has so many grave doubts. Of course, he is, as usual, inconsistent. He would want the Government to spend more money here, to spend more money there, but he is against the policy of Government borrowing so much. What would he have done if he were in Government? Would he have cancelled the 50/50 project in Westside because he would not borrow? Would he have said to the people of Gibraltar today that because the British Government has said that I have not got any money for a new hospital, we have better do with the old one because I am not building a new hospital. Those are the ridiculous policies on which the whole of the Opposition stood for election and they were rejected only a few months ago, Mr Speaker. So, he says that we should be cutting taxes and at the same time he says that he is against borrowing. At the same time he is saying that taxation is what you have to pay for the borrowing. Well, I cannot understand exactly what he would do in that position. Our position has been clear on taxation all along. For the last four years we have defended and we have been brave enough to face political parties standing against us saying "We are going to cut taxes" and we are going to the people saying "We are going to provide a better quality of life for all Gibraltarians instead". The way that we would see tax changes is the way that we have done it before. We have said all along that the way that we would see changes in taxation is by giving incentives to Gibraltarians in parallel with what Government policy is to induce people to go that particular way in the economic sense. That is why we brought up the tax incentive for home-ownership which together with the 50/50, let me remind the Honourable Member opposite has not impinged on the purchasing power of first time home-owners as he is saying because with the 50/50 option and with the tax incentives that we have offered, it leaves a lot of people who are first time home-owners with a substantial amount of money in their pockets. Some even paying less for a mortgage than what they were paying in the private sector for a flat. Of course, Mr Speaker, as the Honourable the Chief Minister has said, he would not like to see incentives being then wasted in the Continent. These incentives were for first time home-owners in Gibraltar not in Sotogrande or Puerto de la Duquesa. Let me say, Mr Speaker, that the Honourable Member has gone into issues which I am sure that he will raise in his motion again and to which the Honourable the Chief Minister will reply as the academic in financial affairs and the technician as well the politician that he is. I have no reason to stand up to defend that policy because he is more than capable of doing it himself. But, to suggest, in 1992, that he has not got enough information about the Health Authority when that was scrapped in 1987. You know, Mr Speaker, that is to go back five years. The subvention is here every year but the details of the Health Authority are not published since 1987.

Then he comes up with the question of public utilities. Well, I thank the Honourable Member for suggesting that that has been a success and that he actually endorses government policy in this direction, except that, of course, he is critical of us not making public the contract. In contrast with what the Chief Minister used to say when he was on the other side....

HON CHIEF MINISTER:

In 1988 I was here.

HON J C PEREZ:

Let me tell the Honourable Member the difference between the GibTel contract and all the other contracts on public utilities that have been signed. The GibTel contract was signed without a statement having been made in the House allowing any Member of the House to raise questions on the matter in contrast to the one of Lyonnaise Des Eaux, to the one of Nynex and to the one of OESCO. At the time of signing all of them a public statement was made and later a statement was made in the House. Honourable Members were allowed to put questions in the House on the statements that were made in relation to the contracts that had been signed. The difference with the GibTel one is that it had a clause that you cannot disclose any information at all about the contract until twentyeight years after the contract has expired, which is ridiculous! We will all be in North Front Cemetery three foot under by that time.

HON P R CARUANA:

I am grateful to the Hon Minister for giving way. Frankly, it exemplifies the view of the Members opposite to the need to have information in the public domain that he equates. Having the contract in front of me for perusal on the one hand will get him the opportunity to make comments in this House on such part of the contract as he has chosen to make the subject of a public statement. Frankly, it typifies the whole approach to the basis of putting information to the public domain. I choose what information I put in the public domain. I choose how I present it and that is what there is: comment on it and that is public consultation.

HON J C PEREZ:

No, Mr Speaker, the Honourable Member is again, as usual, wrong. On the question of signing contracts, he has said, in his contribution, that the Government should put the terms and conditions on which the contracts are signed. No private company anywhere in the world does it. I, for one, Mr Speaker, find it unreasonable that I should ask a reputable international partner to do

the same for the sake of the Honourable Member being satisfied with the small letter of the contract which he as a lawyer might want to see but on which everybody else might not be as interested as he is. I am sorry, Mr Speaker, if we are going to get public utilities on a commercial footing and we are going to have a commercial orientation and people in those jobs are going to look at the aspect of providing the service in a commercial framework, then we have to apply the same commercial considerations as would be applied to any other company anywhere else. It would suffice, Mr Speaker, that at the time of the signing of the contract, the basic ingredients and the basic information of how the contract is formulated is set out and Members of the House allowed to ask questions on it. I have even allowed Members of the House later on in question time to ask questions as to whether telephone booths are going to be put in Apes Den or in Camp Bay and things like that. I go to the company and I bring the information back. What the Government is not prepared to do is to allow the Opposition to try and put obstructions in the way of private companies; who are providing a better service than what those public utilities were providing before; for the sake of the Honourable the Leader of the Opposition scoring a point by saying "Look I have seen the final details of this and I do not agree with 'and' until we change it to 'the'". With his legal mind that is what he would probably do with the contract. But I am not prepared to subject those partners to that type of scrutiny because they would not be subjected to that scrutiny anywhere in the world. If we want them here in Gibraltar then they have as much right at the time of the signing of the contract to place their conditions as the Government has. It is not a one sided agreement. Public utilities is, Mr Speaker, the thing I was going to start with because as the Honourable the Financial Secretary has said, the major changes in the estimates this year are the transfer of the water and sewage to Lyonnaise Des Eaux. The operations started smoothly in July. There have been some problems with the billing which was taken over in January. The fact that it coincided with the Christmas period and with problems in the Post Office was a consideration which was later put right. All the reports that I have up to date is that the operation is functioning quite well and smoothly and that the company has attended to a lot of the issues that were being raised directly with them by the general public. The other major issue that came into stream and which took a load of the shoulders of the Government was the new incinerator which did away with the necessity of the contract with Los Barrios and has made it possible for us to start dismantling the old incinerator. We are now self-sufficient in refuse disposal inasmuch as the problems encountered with the operation at Los Barrios. It was only a temporary one but proved the point that we could not even look at or suggest that our refuse disposal should be anything other than self-

sufficient, because there were, at every level, political issues being raised. I am glad to say that under constraints in finance we were able to get a subsidiary of Baltica to come up with a project which was acceptable to the Government and which also produces water and electricity. Both the functions of the incinerator and the water and sewage were major functions that were traditionally under Public Works and which have now come out of it completely. Therefore, what is left of the old Public Works is the electricians, the garage, the Cleansing Department and alas the cemetery, which now come under the title of Support Services Division. Let me say that even in the cemetery there have been, during the year, vast improvements in the repair and cleanliness of the site, much appreciated by many visitors to the cemetery even if the Honourable Members opposite want to laugh at it.

HON LT-COL E M BRITTO:

If the Honourable Member will give way a moment to clarify? We are not laughing, Mr Speaker.

HON J C PEREZ:

No, I am not giving way, Mr Speaker. Mr Speaker, OESCO was late in bringing in the new engine which made up the capacity that was missing to enable us to close the King's Bastion Power Station on the 31st December last year. Some of the people were retired because they were of retiring age, others moved to other jobs and some were retired early. Members will see in the Estimates that, on the non-industrial side, there are about an extra eight jobs included which will come out in next year's Estimates because they are only in employment until July/August when their retirement age comes up and they finish employment. That would relate as part of the closure of King's Bastion as well. The electricity emanating from the Baltica project and the electricity emanating from OESCO will certainly cover the capacity in King's Bastion plus the projected growth. You will see that there are substantial projects in the Improvement and Development Fund as far as expenditure on electricity is concerned. That is because taking the electricity from the Baltica Plant and the release of some areas of the MOD, makes it necessary for us to invest in ducts (a) to be able to get that electricity and bring it to the central grid and (b) in order to be able to service some of the areas that the Ministry of Defence are relinquishing. Mr Speaker, the Post Office continues to produce the desired service not without problems. There have been industrial problems and there continues to be industrial problems with the postmen and this is being resolved by the Personnel Manager. The TV and Radio licences are to be moved to GBC in September/October. Philately has continued this year to produce the same level of income as last year and we hope we shall be able to maintain it although, as I said last year, that that level was related to certain

conditions, such as the fact that some of the issues were taken up by the Wild Life Fund and some, like the issue of the 40th Anniversary of Her Majesty the Queen's Accession to the Throne, had a particular market which might not be true in following years. But we hope with new incentives to keep the revenue from philately at least to the level that we have kept it for the last two years. Before that we had a low of something like £14,000 only. I come then to the issue made by the Honourable Member on the question of GBC and the commitment that the Chief Minister has given to GBC. That commitment continues on this side of the House, continues from the Chief Minister and from the whole of the GSLP but, as the Chief Minister said then as he was quoted by the Honourable the Leader of the Opposition, related to value for money. The restructure that has taken place, and which the Honourable Member knows about already, has done a lot to get that value for money which the Honourable the Chief Minister was talking about. That restructure brought down the recurrent cost of GBC from something like £1.6m to £900,000 (I cannot remember exactly the figure, I think the cost of the whole restructure is something like £1.4m or £1.5m). The result is that instead of facing a wages bill of something like £1.6m we are today facing a wages bill of £800,000 to £900,000 when you consider the subvention of £570,000 and the expected income from advertising - which at a conservative figure is in the region of £250,00 to £300,000 - that should be able to cover the ongoing cost of GBC this year although it might not be able to absorb the deficit that it is carrying at the moment and at the end of the financial year it will have to carry forward the deficit again. I am not saying that that is a sound financial position but it is a much healthier one than the one that they were facing. The possible hiring out of assets by GBC itself to third parties is what is expected to help to continue to finance television. But let me say, Mr Speaker, that when the Chief Minister said it in 1984, the international face of television was completely different in that the unfair competition of satellite was not here, private television in Europe as a whole had not materialised to the extent that it has today and that the competition that public television, particularly GBC with such a small base in Gibraltar, is facing today was not the position that GBC was facing in 1984. However much we want to support that the Gibraltar television service should continue, it cannot, at any stage, continue without the scrutiny of saying "How much do we need to spend on it. Is it worth spending to keep that service going?" The situation must be reviewed in that line continuously and if at one stage or another we think that the cost of providing television is such that it outweighs the advantages of having television, then we would have to come to this House and say that that is the opinion of the Government and the Honourable Member will have a say in it at the time when he has got the facts in front of him. That is not the situation today and what has been done is to try and help save television as well as radio so that the

view which I think, the whole House has that it should survive and that it should have an economic framework in which it can survive, is made possible. I will now give way to the Honourable Member.

HON P R CARUANA:

I thank the Honourable Member for giving way. It is at what price, Mr Speaker, something that is essential to the survival of our community and of our identity? That is the question. The Honourable Member says there are circumstances in which we might have to close the whole place down. Well, of course, when we cannot afford it we shall have to close it down, but, whilst it remains a matter of judgement as to whether it is too much or too little what price something which in 1984, in the opinion of the Honourable the Chief Minister, was essential to the identity of this community. The reason why I made the point at all was that in his public pronouncements...

HON J C PEREZ:

I was honest enough to say the truth.

HON P R CARUANA:

.....about GBC, the Honourable Minister has always been much more bullish about the prospects for radio than for television. I think, in fairness to him, he is being so today here as well. I think, then that we can all rest safe in the knowledge that having done such a good job in reducing the subvention level of GBC down to £570,000, which he is confident is sufficient, that that is the sum of money which I am sure all the people of Gibraltar will wish to pay for something that is essential to our identity.

HON J C PEREZ:

Mr Speaker, I have not reduced the subvention to £570,000. I have maintained the subvention at £570,000. That is not the only subvention that GBC is receiving. If the Honourable Member would have looked in more detail at the Estimates, he would find that there is an extra grant being made to GBC in the Improvement and Development Fund for equipment which must have escaped the details of the Honourable Member. Let me say, again, Mr Speaker, that the scenario that the Honourable Member was describing is not where we are today with GBC. If we come to it he will have an opportunity to rant about it then but that is not the situation today. I am sure that if he were being asked to borrow £5 million or £6 million a year to sustain GBC, he would either be against borrowing or in favour of GBC, but certainly he could not be in favour of both. Given his inconsistency he might even be in favour of both of those. Mr Speaker, as I said, GBC also has the option of hiring out some of the assets. There have been certain proposals made which are being discussed and studied now. The Government, for its part has appointed, through His Excellency the Governor, the Financial Secretary to the Board of GBC so that the feeling that has been expressed by me in this House before, that

we were giving public money to an organisation where we had no scrutiny whatsoever as to what at the end of the day was being done with that money is corrected. Therefore the Financial Secretary as a Member of the Board, can certainly know at least what is happening to the money and how certain projects have been financed and will be reporting back to the Government if he feels that some of that money is not being used wisely from a financial point of view. But the idea was to appease the conscious of the Honourable Member that there should be no political interference. It would be an official, although a Member of the House, who would be sitting and not a minister as the Honourable Member seemed to be suggesting before the recess of the last House when the issue was raised. Mr Speaker, I can confirm that within this financial year, I shall be moving a Bill in this House for a new Broadcasting and Telecommunications Ordinance which will do away with the monopoly as far as GBC is concerned and will bring in a lot of new EEC legislation which would apply to broadcasting and telecommunications. The idea is, although the trend in the EEC is to liberalise, that within that liberalisation there should be a regulatory order so that certain financial conditions will need to be met before anybody is granted a licence to either go into broadcasting or telecommunications. This I am told is acceptable within EEC law. You can put the same condition on every operator and that restricts any cowboys coming up who have not the financial capability to be able to be licensed in that manner. Also, on EEC legislation, there will be a legislation coming up in terms of transport and traffic, some of which I personally do not agree with, but the EEC is moving in a direction and we have to move with it whether we like it or not. It involves small areas but a very large number of areas. This will be coming to the House with due notice to Members and instead of coming in one by one, what I have told the Law Draftsman is that we would like to encompass all the small traffic ones into one and to have a look at the Traffic Ordinance itself to see whether we can clean it up a bit. Perhaps helping the Honourable Members to keep those books, he was saying, in a better order. Mr Speaker, during the year there has been continuous scrutiny on the alteration to the traffic flows and now that a lot of the developments are complete, the traffic section is looking and negotiating with bus owners, new bus routes. We intend that these should commence northbound through Queensway and should cover the area of the Queensway project and the area of Westside as well. We are putting certain conditions on some of those routes. Certainly there is, at the moment, one operator which is not happy with the proposals. Two others are. We are trying to get agreement with all the operators. It is a very difficult task. I am sure the Honourable Mr Francis knows about it. He has got some experience of it. We are trying to get as many people convinced of the ideas of the Government on the matter. If we do not then the Traffic Commission will, at one stage or another, have to take a decision on it. The Government has attracted and will continue

to attract proposals from private prospectors for the creation of car parking, both in heavily residential areas and in the centre of town. Mr Speaker, there is a need for car parking in heavy residential areas particularly the Moorish Castle area. We were, in fact, seeing whether the trend of movement from these areas to the Westside area would have an impact on parking to look at the kind of project, that would be needed in those areas, to create parking facilities. One of the things that is also envisaged in the Moorish Castle area is a one way road which will be created with access through where the Moorish Castle clock is situated and coming out by the Artillery Arms. That would give a one way system to Moorish Castle which is in much need. Possibly some car parking will go with it but these proposals will need to be looked at. We have already entertained proposals for car parking in one of the Naval Ground pitches and this will go ahead because it is car parking in the centre of town both for people coming in for their shopping and for tourists alike. It is something which we feel we need and we hope that that will be ready, if not in early summer then in late summer. Some of the activities that would normally take place in such open areas as the Naval Ground might have to suffer this year as a result but enough open space is being left in that development to be able to accommodate circuses if they come to town or any other activity of that nature. We still think that there is a need to keep open areas and we have this in mind in looking at such activities. On telecommunications, Mr Speaker, let me say that the massive investment in the cables and in areas related to telephony continued by Gibraltar Nynex and that the operation has proved a success not only in the improvement of services given to the public but also in the improvement of services that resulted in the joint venture with GibTel. Also the partnership is creating new business opportunities for Gibraltar which we would otherwise not have if we had not gone into this partnership. I am referring to the possibility, and at this stage only a possibility, of landing a transatlantic cable on Gibraltar which would need some investment from us initially but which could prove a source of income if the viability of the project is seen to take off. It has a twenty-five year life and is a 1.2 billion dollar project. What we have certainly achieved at this stage is that the international carrier, GibTel, will be able to connect into the cable if it so desires to offer its own telecommunications via cable instead of by satellite. The other thing we are looking at, of course, is becoming a landing site if we can. But there are other considerations, such as Telefonica's position, to take into account and these things are being looked at by the whole of the consortium that is considering the project. Other possibilities that are being looked at is the formation of a database in Gibraltar whereby businessmen could access into the Gibraltar software day or night, by a number of lines allocated to a company. The company would make themselves responsible for the usage of at least 33% of the lines allocated to them. People could access into that database and that would make a lot of use of telecommunications.

Again it is a business which is being pursued. It is not here yet. It might not materialise but in the telecommunications field, as a result of those partnerships these business opportunities are coming to the forefront. It would otherwise not come to the forefront (a) because our infrastructure was not in the right shape to take it and (b) because the contacts have not been there. Mr Speaker, industrial relations, as the Honourable the Chief Minister has already mentioned, continue on the same policy of the Government which is to try and deviate from making public statements that would otherwise prejudice any negotiations with any group. Nonetheless when we feel we have to stand firm on certain principles, and this is proving to be the case, we continue although there has been specific mention of areas where a restructure is possible. The restructuring exercises are looked at on an ongoing basis everytime there might be a suggestion from the Staff Side that any particular work could be done in a better fashion outside the auspices of the civil service. I would like to mention, in passing, the retirement of the Personnel Manager, Mr Olivero. We are very thankful for his long service and for the way that, as Personnel Manager, he conducted his affairs on behalf of the Government of Gibraltar. Mr Tony Lima takes over as Personnel Manager from Mr Olivero. I have but praise for the way that the Fire Brigade has attended to calls; the way that the service is turning more into an emergency service rather than solely a fire brigade and the way the management keeps to its financial targets every year, Mr Speaker. Last, but not least, I reiterate the position of the Government that it is not intended, at this stage, because of financial constraints more than anything else, to move the Prison from its present location and therefore, as a result, certain major repairs are going to be made which would otherwise not have been done if the Prison were to be moved. I take this opportunity, at the end of the financial year, to thank members of the staff for their continued support and in particular all those people who sit on committees with us without remuneration. That is the Traffic Commission, the Lottery Committee, the Parole Board, the Prison Board, the GBC Board, the Stamp Advisory Board and any other Board or Committee where people give of their time voluntarily to advise the Government. They spend lots of hours in doing what they feel is a public duty which is of great use to the Government, Mr Speaker. I think that that covers all of the departments that I represent. There is no doubt that Members opposite might raise issues that I have not covered and I take the opportunity of answering any questions they might have at the Committee Stage if they give me notice beforehand. Finally, let me say, Mr Speaker, that a lot has been said by the Honourable the Leader of the Opposition about the lack of detail and the lack of parliamentary control of matters raised in the House. I would only like to say, that the fact that he is able to come here today and to go through the Appropriation Bill and then present the motion that he is about to present is proof enough that the parliamentary process is at work and continues at work no matter how many questions he is putting on it in his role as Leader

of the Opposition and finding his feet as such. Thank you, Mr Speaker.

HON MISS M I MONTEGRIFFO:

Mr Speaker, this year the Honourable Minister for Government Services has kicked off for the Government after the Chief Minister. I am not too sure, Mr Speaker, whether it is because he has been considered to be healthier and sportier than the Minister for Health and Sport but in any case, I would like to take this opportunity to congratulate my colleague for having given up smoking. I think that he should be commended for that. Perhaps next year, Mr Speaker, I will be commending him for having gone on a strict diet. More seriously, in my contribution I will be dealing with the progress that has been achieved within the departments that I am responsible for. It is customary, that in every budget session we look back at what has been achieved within the departments that we are responsible for. I think that having reached our fourth year in office, I should also give a very brief account of the significant improvements that have taken place within the Medical and Health Services, Sport and the Environmental Health Departments. I will kick off, Mr Speaker, with Sport. The first major event was the realisation of the artificial surfaces for the Victoria Stadium. Apart from the fact that the quality is already visibly improving the user standards, we are seeing much more outside competition and where hockey is concerned, the International Federation, since last year, is nominating Gibraltar to host European Finals. I would like, Mr Speaker, to pay tribute to the local Associations for their efforts in organising such events. With football, we have also seen a marked increase in the number of international professional visiting teams. Last year, Mr Speaker, we saw Colegians Hockey Club hosting the finals of the European Cup Winners Cup and this year in June, Grammarians are hosts to the European Cup Group Finals. I would like, to take this opportunity to congratulate the Eagles Hockey Club because in Swansea, Mr Speaker, just a couple of months ago, in the European Finals they came in second position. As a nation, we were talking about Gibraltar being such a small community within the European framework of big nations, I think, that they deserve a congratulations. Grammarians too, Mr Speaker, have a very good record in Europe and I would like to wish them every luck in next week's European Finals which are incidentally being held here in Gibraltar. Another major improvement has been, the recently installed new sprung floor for the inside sports hall at the Victoria Stadium. We have gone for the best system in Europe. The new floor is also attracting outside international competitions. The Gibraltar Basketball Association was successful in their bid in Europe to host the finals of the European Promotion Cup for Women last December. I am pleased to say, Mr Speaker, that only a few weeks ago the Gibraltar

Volleyball Association staged the Second European Small Countries Volleyball Championships for Women. Both competitions were a great success. It is extremely gratifying to see how Gibraltar is fully accepted in Europe as a small nation even though the Spanish Government continue with their policy of not recognising the Gibraltarian identity in the area of sport as in so many other ones. But I am confident, Mr Speaker, that we are winning the game. Ultimately, those Associations that have strived for international recognition have been successful. Already we have twelve and my Government recognises the many benefits for Gibraltar the sport is providing and we will continue to give our fullest support to all the Associations. Looking now to our sporting facilities, they have all been upgraded and especially the Victoria Stadium has had all its facilities both indoor and outdoor completely refurbished. We have also upgraded Hargrave's Court and moreover, funds have been made available for the purchase of new equipment within all our playing areas. The introduction of community use at the schools has meant a large increase in the number of sporting allocations. When we came into Government, Mr Speaker, we had something in the order of about ninety playing hours a week for sporting allocations and we have moved now to a record of six hundred sporting allocations that are being given to the community and sporting associations in a week. In answer, Mr Speaker, to recent questions in the House I can confirm that the MOD will shortly be releasing areas such as the three tennis courts and sports courts at the South Barracks. Again we will be making arrangements for the schools and the community to be able to use these facilities. When we look at this year's budget, we continue with our commitment to provide financial assistance for specific sporting events. We are proud of the fact that our sports people are doing so well in their contribution to our national prestige. When we took up office the amount of money that was being allocated was in the region of £15,000. Today that money stands at £45,000. We are also actively pursuing our commitment in our election manifesto to provide suitable accommodation for sporting associations. This problem has been an outstanding one for a great number of years and we believe, Mr speaker, that we can solve it. The next major sporting event for us will be the Island Games in 1995. This event will attract in the order of over three thousand people. I have already met with the local committee on various occasions and we are committed to ensuring that all the required sporting facilities are in place. With the Medical Services, Mr Speaker, we embarked on a programme to reshape them and the results are extremely positive. We have effected a lot of repairs to the old buildings of both hospitals and we are continuing with the refurbishment works with the aim of having new hospitals within old buildings. In 1988 when we took up office we had conditions within the hospitals that we could well compare to third world standards. Today, that is no longer the case. We have upgraded our wards to the highest standards with modern sophisticated consoles, furniture and computerised medical equipment.

In St Bernard's Hospital, we have modernised the Surgical Wards, Godley and Napier, the Medical Wards, Victoria Ward and John Ward, Private Ward, ITU and Lady Begg and a Geriatric Ward is in the process of being refurbished. To give you an example, Mr Speaker, only the refurbishment works at Lady Begg has cost the Health Authority £84,000 and both the works and equipment of the ITU has cost the Health Authority in the region of £100,000. At KGV, wards have also been refurbished and areas such as the Occupational Therapy Department, the kitchen and the bathrooms have been refurbished. The bathrooms alone, Mr Speaker, have cost in the order of £50,000. The refurbishment works have not been aimed exclusively at the wards. A great number of departments and public areas have also been tackled. As you can imagine, Mr Speaker, we have had a major task when we are talking about old dilapidated buildings and I am pleased to say that only two wards are left to refurbish in both hospitals and that is Lewis Stagnetto and Maternity. The list of replacement and new equipment is endless and this year I will not indulge in giving a comprehensive list of the equipment because whenever I have done so I have been told by my colleagues that people lose the gist and that I invariably bore the Members of the House and perhaps the public. All I will say, Mr Speaker, is that the equipment that we have purchased range from £30,000 to the £80,000 mark and that we are invariably being complimented by people who visit us with the facilities that we provide within the hospitals. As I have already stated publicly on various occasions, we are committed to building a new health centre in the north area of Gibraltar and we are already considering several options. I have already stated the Government's position in this area at the last House of Assembly Question Time. On the nursing side, Mr Speaker, we have started sending our staff to UK for specialist training in a wide number of areas that never existed before. The nursing management has established a very useful link with the Sheffield North Trend College of Nursing and Midwifery. The college is amongst the largest of its kind in the UK and has courses validated by the English National Board. Since the last House of Assembly meeting, Mr Speaker, more progress has been made in relation to our nursing qualifications. The principal of the college, Mr David Jones, together with four members of staff visited our School of Nursing. Mr Jones commented that since his last visit in December, the School of Nursing has made substantial progress in relation to both the teaching of student nurses and more significantly in ensuring that continuing professional development opportunities have been made available to registered nurses. They have judged both the standards of care given to the patients and the standard of education and training against their knowledge of current provision in the UK and they have found, Mr Speaker, that Gibraltar currently meets the required standard. He complimented the managers, the teachers and ward staff on their increased commitment to nurse education. Naturally, Mr Speaker, this matter is not divorced from

Gibraltar being recognised within the EEC. It is part of the same ongoing battle that we have in other areas, because the framework of the Community is that the twelve member States mutually recognise each other's qualifications. In this case, we have eleven member States recognising twelve. De facto we are the thirteenth State but de jure we are not an independent State, so there is always a problem of definition. One route is that we are treated as UK nurses or alternatively, is that we are treated as the thirteenth state that issues its qualifications. Finally, Mr Speaker, to the last of my responsibilities-the Environmental Health Department. This department is a small one but it has many varied functions. This department has started on a campaign mainly aimed at the community and at the schools. A lot of emphasis, therefore, has been given by the department to health education as a means of preventive medicine by providing information to both the community and school children on health matters relating to the dangers, for example, of smoking, alcohol, drugs and also, Mr Speaker, on transmittable diseases. Although the programme involves persons of all ages, our greatest efforts have, as I have said before, been geared to our children who will in effect be the future generation of Gibraltar. Lectures have been given at schools on health matters including the environment and class exercises and projects have also been carried out by the children. So I am very satisfied that on the preventative medicine side, the Environmental Health Department has done a very good job. Finally, Mr Speaker, I cannot end my contribution without recording my appreciation for the invaluable work and the assistance that I have received from those members of the staff who work in all my departments. Thank you, Mr Speaker.

MR SPEAKER:

The House will probably like me to congratulate the Honourable Lady for being so punctual with her delivery. She has just finished at the time we are supposed to recess until tomorrow morning.

The House recessed at 7.00 pm.

WEDNESDAY 27TH MAY 1992

The House resumed at 10.40 am.

HON P CUMMING:

Mr Speaker, the information available to us in the Draft Estimates regarding the Health Authority is literally two zeros. Last year there was at least a figure shown. We have of course the accounts for the Health Authority for the year ending 31st March 1990 and a small report, presented in September of last year. These are well out of date and hardly of topical interest. Payments are listed under thirty-four headings without any explanation or reference to previous year's expenditure. The report is written on two pages, very well spaced under seven headings including introduction and conclusion. This report is superficial and inadequate. It contains nine

spelling and grammatical mistakes; not all that important in itself, except when, as in this case, it reflects an amazing casualness in the preparation of the document to be laid before this House. The paragraph headed 'Finance' simply states that the appended accounts are self-explanatory, which they are not. One heading, for example, states 'Patient Appliances' and another heading says 'Surgical and Medical Appliances' which with a great knowledge that is impossible to decipher what their meaning could be. Prior to 1988, the Annual Reports of the Medical Department consisted of a thick booklet in which the head of each sub-department reported fully on their year's work, on their staff, on their expenditure, on their problems, on their plans and hopes for the following year. The Annual Report for GBC for 1989/90 consist of a booklet of twenty-two pages, together with five pages of detailed accounts. It contains an index of contents and overall gives a real insight into the workings of GBC for that year. The budget of GBC is much smaller than that of the Health Authority, but much more information has been presented in their report. Last year's budget speech by the Honourable Minister for Health took up two columns in Hansard, taken up exclusively with the details of the refurbishment and a paragraph on health education. This year's speech followed very much the same pattern. All the important issues have been avoided. This is all part of the Government's obsession with secrecy. I have read in Hansard the Chief Minister's view that the Government's job is to be efficient, not to make life easy for the Opposition. This seems to me synonymous with the view that democracy is to function in Gibraltar once every four years on election day because surely in a democratic society the role of the opposition is to scrutinise critically ongoing Government action or lack of action. This may not be pleasant for the Government but democratic governments are expected to respect the role of opposition and not obstruct its work by unnecessarily withholding information. Everywhere Members of the Government go, they are wine and dined, applauded and fêted except here because it is the only place where their work is criticised face to face. But this is a regular medicine prescribed by a democratic constitution for a free people. This work of the opposition is a service to the public that we have been elected to perform. We will soon be in a position where in order to gain an insight into the workings of the various departments, we will have to ask the whole network of questions at every single opportunity in order to build up some picture of what is going on. But complete estimates and full and up to date reports will be far more appropriate. The whole idea of forming a Health Authority to take the place of the previous Medical Department was to separate it from the Civil Service and give it a purpose built Civil Service of its own to make it more financially independent and above all to bring the professionals into the decision making processes at the highest level. This has not happened.

Whereas the Ordinance of 1987 saw the Minister only as the chairman of the Authority, in fact, the only authority is the Minister together with the other elements of the GSLP. This lack of input by the professionals is an ongoing sore point amongst the consultants and there can be no good reason for not presenting detailed Draft Estimates and a full up to date report to this House. The recent vacancy for a gynaecologist which went unfilled for so many months apparently with the idea of having many locums from whom one could be selected whose bedside manner had been observed to be good was a source of anxiety for many patients and as an experiment in recruitment it was a signal failure. We hope it will not be repeated when future vacancies occur in the ranks of the consultants. We were happy to be assured by the Minister in the last meeting of the House of Assembly, that recent local vacancies for the post of consultants have attracted many applications from doctors who have years of experience as consultants in the UK and not just from those who are junior registrars and hoping to jump the usual four year stint as senior registrars and that the requirement that they undertake to forego private practice has not deterred any applicants. But in general though the waiting time to see a consultant remains unacceptably long. Thus, the Minister will consider a system of central billing for private patients seen at the hospital which will help to ensure that consultants keep within the quota of private patients that their contracts allow in order to prevent the injustice of private patients being attended to so much more quickly than general patients. I was glad to know at the last meeting of the House that the Minister agreed with me that the overcrowding at the Health Centre was unpleasant for patients and staff and that conditions were bordering on the unhygienic and that urgent interim measures would be taken to relieve the overcrowding until a new health centre was ready. I look forward to hearing soon what these interim measures will be. Industrial relations between the Government and the nursing staff have been particularly poor in this past year. The attempt to impose internal rotation of shifts by forcing long standing night staff on to day duty was, to say the least, authoritarian and there were many complaints by staff of intimidation and pressure to leave the Union. It seems that personal issues greatly complicated what would otherwise have been a straightforward issue. On the last occasion I spoke privately with the Chief Minister one month before his election to Government, he told me his Government would do away with all authoritarian management. Four years later, not only is management far more authoritarian than it has ever been before, but the Minister states that it is not GSLP policy to intervene in issues which are related to the professionals who run the Health Service. She has forgotten, I think, the occasion when the Chief Minister directly ordered the reversal of a decision by the previous matron. That story made it to the newspapers. I quote from a statement from ACTSS of November 1991 during the last dispute. The statement to the effect that Government would be completely irresponsible to overrule the hospital management is absurd

given the Government's track record. ACTSS is prepared to remind the Government of the many occasions when Government has overruled the management. End of quote. This has been a new device whereby the Minister can pass the buck to the management. I remember the times when ACTSS would criticise the AACR Government for its industrial relations and Sir Joshua Hassan would answer with pride and a certain truth that the Government was a model employer and I ask myself whether this Government could say the same thing with the same sincerity. The Health Authority is a very large employer and I would call upon the Minister to ensure that she has a firm policy of good industrial relations and ensures that management implements that policy and that the individual needs of employees of the Health Authority are catered for as far as is reasonably possible and that management should exercise a caring role to staff and not just a disciplinary one and that grace and favour be equally available to all not just those who are well in with that group of GSLP militants who exercise so much influence in the Health Authority. The physiotherapy Department has been in the news recently and it is quite clear that the complement of Physiotherapists needs to be increased. Physiotherapists make an immense contribution to the well being of patients, are highly qualified professionals and are chronically underpaid. Why should they continuously have to work under intense pressure, knowing that however hard they work they cannot get round everything that they should do? In the election campaign the GSLP said it was considering employing a geriatrician as had been recommended in 1987. I hope that this consideration will shortly reach a favourable conclusion and that a geriatrician will soon be recruited to look after our elderly people and oversee and coordinate the work of Mount Alvernia, the hospital geriatric wards and care in the community. The union has been complaining just recently about the large number of vacancies in the government service for cleaners and how these vacancies are covered by supply cleaners over long periods. It seems that the Government may be considering privatising the cleaning services. May I ask the Minister to consider that it would be one thing to contract out cleaning services of schools and offices which are vacated in the evenings and quite another to privatise the cleaning of wards. The ward cleaners are a very important part of the ward team and their work is arranged around the needs of patients. They also help out in various small and voluntary ways which would never be possible for a contract cleaner who would be under pressure of time. In the UK, in those areas in which ward cleaners have been privatised, the ward sisters are continually complaining about falling standards of cleanliness but especially about falling standards of nursing care, because often sisters have to choose between getting an area cleaned according to the cleaner's schedule - whether or not this is inconvenient to patients - or not getting it cleaned at all. Nursing journals have been full of articles on this

topic. So we ask the Minister to keep the ward cleaners as permanent and pensionable Government employees so that their loyalty to their wards can continue to serve patients well. Corridors, offices and departments, closed at night, could be cleaned under a different system though this too would bring problems in its train but at least good nursing care would not be interfered with. I understand that there has been no nursing courses in recent years leading to the intermediate nursing qualification of enrolment. I would appeal to the Minister not to let this most useful grade die out. Enrolled nurses carry out all the simple and junior tasks of nursing but are also able to carry out senior tasks when necessary and even be left in charge of wards for short periods and enrolled nurses bring even to the junior tasks a skilled and expertise and theoretical knowledge which is very much in the patient's interests. The Government has undertaken an extensive programme of refurbishment at the hospital and this may extend its life adequately for a few years, but the fact remains that the medical review team of 1987 did not find our present hospital buildings at all adequate. If our population continues to increase as the GSLP apparently wants for economic reasons, more hospital facilities will be needed. Government has invested heavily in infrastructure so that we have excess capacity in some areas such as electricity and refuse disposal, so there must also be an increase in our hospital capacity and a new hospital will be necessary for this. I appeal to the Government to include a new hospital at least in plans for our mid term future. Thank you, Mr Speaker.

HON J L MOSS:

Mr Speaker, this is the time of the year when if my colleagues will allow me to speak.

MR SPEAKER:

Order.

HON J L MOSS:

I can accept the Opposition interrupting me but not my colleagues. This is the time of the year when the Government gets up in the House of Assembly, gives an explanation for its conduct, for the work it has done over the previous twelve months and an indication as well of what our programme will be for the forthcoming year. This year, of course, is a peculiar situation in that we have had an election recently so the Government is giving an indication not just of what would be happening over the next year, but indeed over its next term of office. As far as my responsibilities are concerned, the first thing that I have to express is satisfaction at the fact that the programme of Government, which we had over the last four years has enabled us to make enormous advances on all fronts. This is not playing

with words in terms of the improvements that we have achieved, for example, in the schools. I do not have to tell this House what it is that has been done. All we need to do is to take a tour through the schools, have a look at them and the work that has been done then will speak for itself. Last year was a particularly good year from the point of view of investing in our educational buildings, in that we saw the refurbishment programme that we started in 1988 really take off with major works being done at a number of our schools and this tied up as well with the building of the two new schools at South Barracks. If there is one thing that we have done in education which proves the way that we have actually been turning the whole of the economy around from an economy which was still largely dependent on the Ministry of Defence and on the British Government to an economy which is increasingly self-sufficient, then I think that South Barracks has a symbolic value which no-one can deny. That is an old, dilapidated, military building being put to good use for the community and for the education of our young people. I do not think there can be any change more positive than that one. We have also been implementing certain changes throughout our last four years which have been gathering pace if anything through the Gibraltar College of Further Education. As I have said in this House before, the main point has been to try and get this to operate in a more business-like manner and by this I mean not just in the way the College operates, but also in the courses which it offers. We have tried to make them relevant to the needs of the business community. We have invested again in changing the building from its old location to just beside Westside School now where it will have room for expansion in the future. We have invested very heavily in computers which means that the courses in information technology that are now offered by the College of Further Education are, in fact, second to none in Gibraltar. They are attracting a lot of customers and they are attracting a lot of interest from outside Gibraltar as well. There will be more developments here in the future as we try and get courses of a higher nature to operate from the College of Further Education to begin to see whether there are any possibilities for actually having some type of limited higher education within Gibraltar. But I have to stress that this is very much at an exploratory stage at the moment. A report has been commissioned by myself which will be delivered to me shortly and we will be able to determine whether there is any mileage in running courses of the higher nature at the College. The scholarship system continues to work as well as it has since 1988. The number of students continues to grow and by this September we will have in place the promised access fund to students which will assist them with the financial loss they suffered as a result of the British Government scrapping housing benefit. I know that this has been the subject of questions in the House of Assembly. We did give assurances at the time and I can now tell the

House that from this September that fund will be available. If there is one very important thing that we must not lose sight of in education, it is the question of having value for money.

MR SPEAKER:

Could I just interrupt the speaker for a moment. Those of you who wish to take their jackets off may do so.

HON J L MOSS:

Mr Speaker, I was commenting about value for money in education and it is particularly important because Honourable Members on both sides of the House will not have missed the fact that education this year has now become the biggest spending Government department. I do not say this with concern because it is a well known fact that this Government believes very strongly in investing in education but I say this because we should not lose perspective. We have been increasing the sums of money available to fund books and equipment in schools. We have increased the amount of money that we spend in upgrading and refurbishing schools and we have to ensure, at all points, that we are obtaining value for money for this. Not with the view to cutting the education budget but with a view to maximising the effect of the funds that we have available for this. Mr Speaker, if I may now move on to the responsibilities which I have for youth, I have to again give the House a favourable report about the different activities which the Youth Office has undertaken over the past year. The Youth Centre continues to grow. We have now got over six hundred members and as a result of the demand there was for its usage we have been opening on Sundays recently. This was with a view to removing the many young people that were on the streets with nothing to do. It was highly effective in solving this particular problem and obviously this will now tail up as a result of the weather getting hotter and people going to the beaches but it has certainly been an experiment which will become hopefully custom and practice in future years. I suppose that the area of youth is in fact one of the very few areas where I am able to report that our contacts with Spain have actually been quite cordial. This enabled us to sign an agreement on the provision of information between Gibraltar and the Campo Area and it has also enabled us to have a regular programme of youth exchanges with young people from Gibraltar and the Campo both attending. The most recent one being last weekend when we had a couple of groups going over to the Expo in Seville. There are, of course, other youth exchanges and this year we will be hosting groups from Czechoslovakia and from Greece and we will have a group of our young people going to Greece. So we have not, at any point, forgotten the policy that we have of sending young people out to major exchanges outside Gibraltar. It was also through the Youth Office that we were able to get a sponsor to fund a mini adventure playground at the Moorish Castle Estate and I am told that this has proved to be highly successful and it is in constant use

by a lot of children and their mothers. We do have future projects which I would like to see realised during this term of office for our youth facilities and that is building an extension to the Youth Centre. This has already been discussed with the management committee and we have plans drawn up as to how it is going to be done. We have to take into account the fact that there is such usage of the Youth Centre that we hope to encourage its growth by improving its facilities furthermore. We do also have plans to have a new club house at the adventure playground where we feel that the voluntary workers who assist the Youth Office over there have been doing a fantastic job. If we are to continue expanding the role of the playground in the estates then we should be looking seriously at the building of a new club house and that is a project that I have in mind to do within this term of office. If I may speak briefly on cultural events over the last year, again, we have had an increase in the number and possibly even in the quality of events that have gone on over the past year. One development above all others which augurs very well for our cultural future is the fact that the Gibraltar Song Festival continues to grow. This year, in fact, I am happy to report that we have had about double the number of entries that we had last year from something like fifteen countries. So it is rapidly becoming the kind of international event that the organisers hoped it would be. The same on a lesser scale is also true of the Gibraltar International Open Art Exhibition which has received a record number of entries. As a final note on culture I would also point out that the hope and optimism portfolio, details of which I gave in this House last year, will be coming to Gibraltar in July for exhibition. We will take the opportunity to actually be exhibiting it in two new exhibition rooms that have been repaired during the course of last year at John Mackintosh Hall. Mr Speaker, I have also been very deeply involved with training over the past year and I have to take this opportunity to remind the House that notwithstanding the difficulties in the economy at the moment, notwithstanding the fact that there is a general impression that there is a tightening up as a result of the worldwide recession and not whatever the Honourable Leader of the Opposition may think as a result of this Government's policies; despite that we have made substantial progress in training and the figures speak for themselves. We are now approaching nine hundred young people that have been employed through the Training Scheme since its inception. We always have an average of one hundred and fifty young people on the training schemes and the training schemes are increasingly becoming more streamlined and are offering meaningful qualifications. Nothing is perfect in this life, but I have still to hear one criticism of the scheme which I consider valid. There are mistakes, undoubtedly. There will always be mistakes, but I have yet to hear a suggestion as to how this scheme could be improved, which could be implemented. We were heavily committed this year as well with the registration

of businesses and the preparation of contracts for each individual worker in Gibraltar. This task is very largely completed now. It will give us more information on this matters than has been available before and which will be a very valuable weapon, in fact, in combating unemployment in the future. As we know more and more about the skills and the experience which individuals have, we can try and match these with either substantive vacancies or with trading places which will lead to jobs, eventually. We are also developing what we call the pre vocational cadets scheme at the comprehensive schools. We feel this is very important because it is an extension and a vast improvement on the old system which existed of sending kids off to a business for a week; letting them look around the place and that was all their experience of the job market until they actually left school. Some of them at fifteen left without any qualifications and were expected to get a job. I do not think this was helpful to them in getting a job; at least not very helpful; and neither do I think it was giving them a real choice. By real choice I do not mean trying to offer young people opportunities in training where there will not be any jobs at the end. We are completely against this. What I mean is that there are a lot of areas in Gibraltar which young people could be looking at for their future employment which perhaps they have never even thought about and we would like to see them being given more of an opportunity of this. We think the place to do it is in the last year or last two years, in some cases even whilst they are still at school. Mr Speaker, I would also like to mention to this House my personal delight in having been able to obtain the general assembly meeting of the International Skills Olympics for Gibraltar for 1994. I think this will be a tremendous boost to our training efforts in Gibraltar and will be an important selling exercise of what we have to offer in Gibraltar and I am not thinking just of training. I am thinking that if we all go out of our way to show people from outside exactly what Gibraltar can provide, then occasions such as international conferences are an ideal backdrop in which to be able to mount major selling exercises. That in essence is the sum of my contribution on the matters for which I have responsibility but I would be less than honest, Mr Speaker, if I were to sit down now without commenting on some of the speeches that have been made from the opposition benches because I think that there is a very basic misunderstanding of the concept of democracy on the opposition benches which I would like to clarify for their benefit. According to my interpretation of democracy, half the opposition should not be there. In my opinion they should be grateful of a system which has allowed them to enter into the House of Assembly with 20% of the vote and not pretend that they are the watchdog of public interest and public finance and public this and public that and the other because the public rejected them. The public rejected them four months ago. The role of an opposition, and here I differ very strongly with the Opposition, is not to set themselves

up as arbitrary watchdogs. It is to try and provide an alternative to Government, a serious alternative. And a serious alternative is composed of serious policies, not merely of criticising the Government without offering any alternatives whatsoever which so far is all that I have seen in this House. I have yet to hear the Honourable Leader of the Opposition or any of his colleagues tell this House and tell the people of Gibraltar how they would do things differently in terms of the economy which is undoubtedly the most important single factor in local politics at the moment.

HON P R CARUANA:

If the Honourable Member will give way, he will hear me now.

HON J L MOSS:

Provided the Honourable Member is not going to be as long as he was yesterday, I am prepared to give way.

HON P R CARUANA:

Mr Speaker, what worries me is not that the Honourable Member should express those extraordinary views about democracy in Gibraltar where after all that circulation is limited to local consumption. What worries me is that he goes to Commonwealth Parliamentary Association meetings and expresses the same or similar views where they are consumed by people that are horrified to hear them. Now, in relation to the lack of policies of the party on this side of this House, we have a manifesto. Now, it strikes me as the height of ultimate political dishonesty and deceit and hypocrisy that a Government that told the electorate just before the 1988 Election "I am not prepared to tell you what my economic policies are because I am not prepared to give the other side any hints. You vote for me and I will tell you when I am in Government what my policies are". That such a Government should stand up in this House and accuse the Opposition three months after a general election of not advocating alternative economic policies is the act of arrogance, dishonesty and deceit.

HON J L MOSS:

Mr Speaker, words fail me. But I will continue with what I was saying. I know that the GSD had a manifesto and that is precisely what I meant by the lack of policies. I can see that the Honourable Leader of the Opposition has been informed about some of the happenings at the CPA Conference, I hope he has been informed about everything that his colleague said as well because there may be a nasty surprise or two for him in the future. Mr Speaker, basically we have a situation where the Opposition is trying to pretend that they have policies. It is trying to pretend that some of these policies have got popular support. I do not know what basis they are

using to do this but, in my opinion, they are not providing a credible alternative to Government at all. That is what an opposition should be prepared to do at all times. To provide an alternative to the Government. Not to sit in the cosy role of being an opposition which makes decisions as it goes along, latches on to whichever pressure group they think is at the moment criticising Government and not formulating a strategy of their own. It is a shame because I think that this is a point in Gibraltar's history when we should be particularly united because of the challenges that face Gibraltar. It is said perhaps to exhaustion that what we are trying to do now is to ensure the survival of Gibraltar as a separate entity and I do not think this a hyperbole. I think that that is a situation in which Gibraltar finds itself today. The more disunity there is within Gibraltar, the more vulnerable we are to threats from abroad.

HON P R CARUANA:

If the Honourable Minister will give way.

HON J L MOSS:

I have already given way once, I am not criticising the Opposition at the moment so I do not see a need to give way. We are, as I was saying in a difficult situation which we believe we can pull through and we can pull through with the people of Gibraltar behind us which is why it was so important to go to an election early this year and receive the kind of backing we received. It gives us great encouragement and great strength in our dealings on the international scene. So, Mr speaker, I conclude by once again expressing satisfaction at the progress which has been achieved in my departments; by thanking all the people who have made this progress possible and by warning those siren voices who are predicting gloom and doom for Gibraltar that in doing so they might actually be the agents who work towards this. I am sure that this is not the kind of advise, for example, that the Honourable Leader of the Opposition gives to clients when they go to visit him in his private practice. Thank you, Mr Speaker.

HON H L FRANCIS:

Mr Speaker, after that rather heated and protracted spate of rhetoric, I will bring it back now to a more sensible level. Hopefully a more sensible level. We shall see. In spite of everything as we have said, I was very glad to be at the opening of both St Joseph's schools last week. There the Honourable the Chief Minister and Honourable Mr Moss in their own statements paid tribute and put importance on the fundamental nature that education has to Gibraltar's future and its success economically in the years ahead. Certainly we support such comments. The quality of education being received today will determine the success of those individuals in their chosen careers and professions in the future and therefore in

turn will also determine the success of Gibraltar as a whole. Because an educated workforce - and I think the Honourable Members on the other side will agree - is an asset to our community in attracting business and attracting investors and attracting new companies to relocate here, it is only fair and realistic to take education as a very important part of the equation in any future or present economic plan of the Government. We take note obviously of the Government's big investment in education in terms of the buildings at South Barracks and the refurbishment programme that has been undertaken in the other schools and of course naturally support it. However, physical infrastructure and buildings are not everything. I was very surprised to hear the Minister just say a few moments ago that expenditure on books and equipment has been increased. Books and equipment are the tools of the professionals. The tools of teachers. It is what they use in education to teach the children and therefore in their own way are as important as the buildings themselves. I was surprised to hear the Minister's comments because from the Estimates I understand that expenditure in 1991 on books and equipment was £259,000, the forecast outturn for 1991/92 is £244,000 and the estimate for 1992/93 is £260,000. So with these year's Estimates all we are doing is bringing expenditure back up to the level of 1991.

HON J L MOSS:

If the Honourable Member will give way, I will give an explanation. The explanation is simple. Up to 1990/91 the schools still had to buy their own computers from within the books and equipment vote and that was subsequently removed and bought for them. This was in fact a very major expenditure that the schools had.

HON L H FRANCIS:

I thank the Minister for that information. Nevertheless our information is that this capitation fee has not been increased significantly. That is the information that we have been given. I take the Minister's comments to heart. It is important to keep up the level of expenditure in books and equipment and not just dedicate resources to the buildings because if budgets fall in real terms books need updating, books need replacing, numbers of children go up as well down, national curriculum involves extra expenses to schools and they must be able to maintain their standards. I am pleased to hear the explanation, therefore, of the Minister. Another area of concern arising from the Estimates, is in terms of the College of Further Education where again expenditure appears to be falling at the moment. Again I will welcome...

HON J L MOSS:

If the Honourable Member will give way. Basically as a result of many of the courses that the College of Further Education is undertaking now for the Employment and Training Board, the Employment and Training Board is

providing substantial assistance to the College of Further Education in terms of computer hardware and other materials. Some of them for these courses but, in effect, they are used for other courses as well within the College.

HON L H FRANCIS:

Nevertheless the College of Further Education has an essential part to play in the training and retraining of the workforce, especially now at the time the economy is shifting from a defence base operation to a private commercial sector operation. The workforce does require training and re-training and this is the most crucial time for it since they need to be equipped if they have to find new jobs that may be arising as the result of the Government's economic plan. We obviously hope they will. There is another area which has not merited much attention from Government. We are well aware of their policies in terms of nurseries. I know the Minister will not want to go back on this hobby horse which we discussed at Question Time. We know that the Government's policies is not to provide more Government nurseries. We know that they are relying on the private nurseries available in Gibraltar at the moment to fulfill the needs. However, there is a need to help parents who work, especially mothers who want to take up jobs now. Part-time jobs, perhaps, to help their mortgages and to help raise the standard of living of their families. Taking on board that the Government policy is not to increase the number of Government places at nurseries, it would perhaps be prudent to look at the possible provision of tax relief on nursery fees perhaps means-tested to an extent, for some of these families. Mothers trying to get a part-time job may find that the level of expense of placing one or two children in a nursery may not justify them taking up the job in the first place. That keeps them out of the market and prevents them from helping their family forward and Government should seriously look at this question. Another area for which we see no provision in the Estimates is in terms of the demographic changes that have been taking place in Gibraltar. With the increasing population of the South District, the Government responded by providing schools at the new South Barracks and increasing the capacity there. There is now obviously a shift of population to the Westside area, where a large amount of young families especially will be moving and are in the process of moving now. We have no indication that if there is a planned response to this in the future, will there be an expansion at St Paul's? Will children be expected to attend the same schools they are attending at the moment? An indication of what the policy will be will be most welcome and perhaps the Minister may comment at the later stages of this debate. We also come to the current and contentious issue of the closure of Governor's Meadow School. I am sure I will be accused of jumping on the band wagon here as I already have, but maybe not when he hears what I have to say. He has to hear what I have to say before he makes his opinions known

as he inevitably does quite vociferously. The intended closure of Governor's Meadow is to an extent understandable in pure economic terms. Now, there have been many social and educational reasons given why this is not the case for keeping it open. Now I do know that there has been some consultation with the teaching profession on the issue. I do not think, as yet, there has been any consultation with the parents which I will urge the Government to do. In the light of the very strong reaction from the parents and teachers perhaps a revision of the decision; perhaps space it in an easier way for the children and the parents concerned, might be in order. With the changing patterns of the population in Gibraltar and the recent moves of Government to do away with Governor's Meadow School, the question does arise whether Government is actually thinking of moving away from the idea of community schools as a whole and perhaps thinking of moving to larger more centralised, fewer schools catering for more children. Undoubtedly, this has its economic attractions but not necessarily any social or educational ones. If Government is thinking of moving in this direction perhaps it should at this stage consult teachers and parents and get a consensus view on what the best way ahead is for children and education in Gibraltar. I am pleased to hear about the possible introduction of higher education at the College of Further Education. That is of course to be welcomed. It will remain to be seen what exactly the Minister is planning but of course he has our support in that field and also it is very gratifying to hear that the access funds will be in place for our students in UK by September. I am sure that it will let a lot of minds to rest on this issue. So that concludes my part on education. I now move to sports. Having looked through the Estimates and after the Honourable Minister for Sports' contribution yesterday, we note that in real terms the recurrent expenditure is falling in terms of equipment and maybe grants to sporting societies. However, we recognise that a vast amount of money has been spent in recent years on these measures and the fact that support to sporting societies was increased substantially when Government came into office and therefore we cannot expect the same increases year after year. Over the next few years, perhaps, the greatest challenge to sports lies in two areas. The first of which is the release by MOD of sporting facilities which should be happening as they withdraw in the near future. We have Europa Point, the RAF North Front playing fields and Naval Ground. These obviously have not been released yet. It is important that when they are released they should be kept as sporting leisure facilities of some sort and not used for other sort of development. Not only will this relieve pressure on the Victoria Stadium, it will also allow for greater participation by people who take part in sport on a more casual basis than by joining clubs and associations. People do not wish to take advantage of this, and may at times find it difficult to get an allocation to play one sport or another. It

will also allow the staging of bigger and better international events because different venues will be able to be used at the same time for these events. The second area of challenge, which is perhaps the biggest one, and which also involves participation in international events is of course to do with Spain. Now we are participating in a greater number of international events every year with great success and obviously greater success brings greater attention and the greater attention brings greater attention from our friends across the border. Also, we will be staging international events here which attract a similar sort of attention. We have seen them use intimidation of some sort for the associations. We have seen them trying to block our sportsmen and women from participating at international events and it is very important that we should block these attempts to prevent our sportsmen and women taking part by all means at our disposal using whatever resources are available. I know the Minister has at times intervened personally to try and ensure that this is the case. I would like to offer her our support in any such venture and if I can be of any help at any time in this context, of course, she has my able and willing support in whatever capacity she may think fit. I have one other area of responsibility which is not covered in the Estimates in any fashion and that is the environment. Although the Honourable Minister for Education says we have no policies and no alternatives, at least there is one policy which is to have a Minister for the Environment, which presumably is my portfolio.....

Interruption

Sorry. Is it? Well you may think so. I do not happen to think so on this side of the House nor do many people outside. It is again no surprise that there is no allocated expenditure for the environment as opposed to environmental health, which is a different topic. The Environmental Health Department does carry out limited functions not related purely to environmental matters but related closely to the health considerations of the population. Now we have new laws coming out, not only from Gibraltar but from Europe, to do with nature protection, some of which are coming up in the House in the near future. However, we lack the mechanism by which to efficiently enforce such measures. At the moment presumably we are relying on the Police to enforce these laws. However the Police may have its hands full doing other things and carrying out its other roles. Although funds are short and it may not be immediately possible to do this, but, perhaps, attracting funds from European institutions or UK organisations could help us set up an environmental protection unit within the Environmental Health Department with a small staff of one or two people who would engage the support of all the local environmental groups, the GONHS, Friends of the Earth etc, which would undertake to enforce the laws much as the Environmental Health Department enforces the environmental health laws which are being passed by the House at the moment. It would undertake work in the protection and preservation

of our natural environment. So there is at least one policy where the Minister cannot accuse us of not having one. And with that plea or suggestion to Government to look at in the near future when funds do become available, I end my contribution. Thank you, Mr Speaker.

HON R MOR:

Mr Speaker, yesterday when the Honourable the Leader of the Opposition got carried away all afternoon he was referring to how much tax the Gibraltarians were paying, it was presumptuous, I think, of him to presume that social insurance contributions had also been increased. I can assure the Honourable Member that social insurance contributions have not been increased since 1988. He also expressed concern about the MOD and PSA redundancies. Well, Mr Speaker, during the run-up to the last election, we said we recognised that one of the highest priorities we would set ourselves in Government was to try and keep under control the unemployment situation in Gibraltar. As a Socialist Party, we believe in the dignity of work. We believe that every single person who wishes to earn a living through selling his services should be provided with the opportunity to be able to do so. This, is obviously a most desirable social and economic objective, but which, unfortunately, as we all know, most countries in Western Europe find it extremely difficult to achieve. In fact, it is well known that in the European Community, according to recent trends, unemployment levels have reached an all time high. An added difficulty which we in Gibraltar are facing is that as members of the European Community all EEC nationals are free to come to Gibraltar and compete against our own people for jobs. Of particular significance in this context is that since the 1st January 1992, Spanish and Portuguese nationals have been free to compete for jobs in Gibraltar without restrictions as their transitional period for the freedom of movement of labour has ended on the 31st December 1991. As the House is aware, originally Spain and Portugal had to undergo a seven year transitional period as from 1st January 1986, restricting their freedom of movement of the labour but this was cut short to six years and is therefore now over. This obviously presents an added burden, an added problem, an added strain, on our own job market given that, geographically, we are surrounded by an area which has a very high level of unemployment and which is of course, also part of the European Community. Indeed, Mr Speaker, our most immediate neighbour, the town of La Linea is known to have recorded a level of unemployment reaching 47%. That is to say, Mr Speaker, almost one person out of every two persons available for work, being out of work. As a comparison, let me say, that in Gibraltar, unemployment has, under normal circumstances, been around 3%, which obviously is three persons out of every hundred workers. However, Mr Speaker, during the latter part of 1991, a significant increase in unemployment was experienced following the

ceasing of operations of the ship repair yard and also at the time there were MOD and private sector redundancies. The effect that this had in numerical terms, can be expressed as an increase from 299 Gibraltarians unemployed in April 1991 to 562 Gibraltarians unemployed in October 1991. That is, an increase of 263 Gibraltarians over the normal levels which in percentage terms, on the figures that I have just given, represents an increase from 3.1 to 5.9%. Perhaps it is interesting to note, that some experts believe that the ideal unemployment level for any country should be between 3 to 5%. These levels are thought to be ideal because on the one hand there is not, if the levels are between 3 and 5%, sufficient unemployment for employers to take advantage of the situation which indeed could be the case where, for example, if the level of unemployment was higher, some unemployed could be induced to accept conditions which are inferior as regards their pay and conditions of service. This is obviously the situation that could result if there is a high degree of difficulty and frustration when a person is looking for employment. On the other hand an over demand for labour can also overstrengthen the negotiating power of the worker and this can also cause an in-balance which might affect the otherwise orderly and harmonious relationship between employers and employees. So, as I say, Mr Speaker, there are some experts who believe that 3 to 5% unemployment, at any time, is ideal and levels under or over this could strengthen the hands of employers or workers creating an in-balance which thereby might cause awkward situations. From the last figures that I have provided to the House, Mr Speaker, the situation we have in Gibraltar is that we are just above the 5% level so that we are only slightly in the red and obviously as we will go on to explain, we intend to take measures and we will try and reduce this level. Mr Speaker, as happens with the different issues when applied to Gibraltar, our uniqueness requires that we examine carefully our peculiar situation. That is to say, Mr Speaker, we have a situation where we have around 14,000 jobs in the job market and about 9,500 of these jobs taken up by Gibraltarians. So, in a sense it could be argued that if anything a situation of over employment exists in Gibraltar. However, in order to generate the standard of living in our economy, we need to keep at least 14,000 jobs in the job market. But as we all know, Mr Speaker, the MOD is pulling out of Gibraltar and this unfortunately means that the job market will be losing many jobs which have, traditionally, been filled by Gibraltarians. There is no easy way to replace these jobs. The only way this can be done is by attracting other outside activity to Gibraltar which can provide jobs to replace those which are being lost through the MOD pullout. It is obvious that however many jobs we create through economic growth, Mr Speaker, it is not going to help unless we can ensure that our own citizens benefit from this switch. It is precisely for these reasons that we have established considerable training resources and why we established the Employment and Training Unit. It is an essential

aim of policy to equip our people with the skills required to meet the needs of the job market. As it is known, Mr Speaker, our training schemes commenced in late 1988 and at the time only catered for school leavers. However by March 1989, the different schemes were extended to cater for persons under 25. After being successful in obtaining aid from the European Social Fund for our schemes, it was possible for our training schemes to cater for all age groups. That is to say, for all those under 25 and all those over 25. At present there is sufficient flexibility in the manner in which different training projects are operated to ensure that the ability exists to adapt to whatever needs arise in the job market. The Honourable the Leader of the Opposition yesterday referred to training for finance sector activities. Let me say, Mr Speaker, that that is precisely one of the funded projects based on providing training for that kind of need. The position is that the policy of the Government for this year is to reduce the current level of unemployment to the level which existed in June last year which is to about 3% and to retain a level of 14,000 jobs in our economy. This is a situation which is expected to be achieved by the end of the year. Mr Speaker, it is the Government's policy to ensure that there is peace of mind for our senior citizens. In 1988, we promised to introduce a social wage for those retired males over 60 but under pensionable age. This has resulted in the creation of Gibraltar Community Care Limited which has in turn produced community officers. These officers run Community Care Limited themselves and provide about 80 hours of community work per month. This organisation ensures that the quality of life of all our other senior citizens is enhanced and this work will continue and be further developed as necessary. Mr Speaker, the message that we have for our senior citizens is that they need have no fear that the GSLP is here. As has been previously pointed out in this House, it is not this Government's policy to make statements on pensions or social services which run the risk of being misquoted or misinterpreted and which could place at risk the entire structure of our social services. It is however the case, Mr Speaker, that the Government is prepared to brief the Members opposite on anything they may wish to know about our social services on a strictly confidential basis. In conclusion, Mr Speaker, as has been the practice in the past during budget sessions, I would like to record my thanks and appreciation to the Director and staff as well as to all the persons working in the different departments in the DLSS. Thank you.

HON H CORBY:

Mr Speaker, as a newly elected Member, I must state that although we on this side of the House will be dealing with various aspects of the Gibraltar Estimates which have been laid before us, my contribution will be based, not on the cold facts or figures, but on the human side of the coin which affects the day to day livelihood of the Gibraltarians, their worries and aspirations. It

has been clear for some time that this Government all too often falls into the trap of concentrating on figures and statistics and it is inclined to forget the more human aspects of every day life and to forget that they also have a duty to protect and maintain the quality of life which has been enjoyed by all Gibraltarians for decades. A dark cloud has now reached our shores and if uncontrolled could make serious inroads in our society. I am talking about the unprecedented high levels of unemployment which the Minister for Social Services has commented now. If nothing is done about these high levels of unemployment then Gibraltar will find itself with about 2000 people unemployed by the end 1993. Of course, this situation has arisen because of the closure of GSL and Gunwharf and also because further cuts are now being envisaged by the closure of MOD and PSA. In order to cushion this effect we have to implement, as a matter of great urgency, a proper construction training scheme, to enable our workforce to be in a position to undertake skilled jobs which are now being undertaken by other nationals. This is of paramount importance. The Chief Minister in his speech, said that the way forward, insofar as the workforce is concerned, is in the selling of the workforce outside. In order to do that, Mr Speaker, we must have a workforce which is skilled and able to do the jobs which are now undertaken by other nationals. Gibraltar must have its own skilled workforce capable of undertaking any challenge that is put in its path and not be reliant on EEC labour with all the aspects and problems that this entails to the job creation prospects of Gibraltarians. Let me now move to the question of drug addiction in Gibraltar. This is a problem that has escalated dramatically within the last ten years as we can see from the Government's Estimates of 1990. There has been an increase of 420% in drug offences in Gibraltar during the period 1981 to 1991. However, no effective practical steps to help those with drug problems has ever been made either by this Government or by any other previous administration. I am, however, pleased to hear that the Minister for Labour and Social Security, in answer to one of my questions, stated that he was looking at the issue of drug rehabilitation and counselling under medical supervision in Gibraltar and that the question of premises was being considered. I hope that this initiative is given the priority it merits. In addition to the above, we must also embark on an educational campaign in our schools to teach the children the dangers involved in the misuse of drugs and here I am giving, Mr Speaker, alternatives to whatever can be done to improve the system. Insofar as that is concerned we are accused by the Minister of Education of not doing this but here I am giving what I think is an explanation which can better the service. It is only by educating our youth that the problem can be tackled by them in awareness of the full facts and dangers that drug taking entails. Another factor, of course, is confidentiality. This is of paramount importance in the rehabilitation of drug patients. These patients must be allowed to undertake the treatment in absolute secrecy and I stress secrecy and if possible no record should be kept in the name of those patients

passing through the centre in order to afford the patient full protection against any discrimination in job opportunities. We must also continue to give full support to our Custom Officers and Police in the fight against the importation and exportation of drugs in Gibraltar. Again, Mr Speaker, the importance to Gibraltar of proper and adequate consumer protection which has been recently highlighted, not here in the House only, but as a topic of great concern by the Housewives Association. At the moment, there is no proper consumer protection office in Gibraltar and this has been seen by the small number of complaints; seven in 1990 and five in 1991. That means that in two years, Mr Speaker, a figure of twelve complaints - which conclusively proves the point. Before the Consumer Protection Department was abolished by the GSLP in 1988, the figure was something in the region of 100. It is a faceless department with no signposting and not even a telephone number in the directory to enable the consumer to pursue a complaint. There is no mention whatsoever under the Collector of Customs of any reference to the Consumer Protection Unit. It would be of great value not only to the people of Gibraltar but also to tourists and visitors alike that instead of this facility being housed anonymously at Waterport, under the wing of the Collector of Customs, this office should be prominently rehoused in the town centre and in so doing make it more accessible to the public. The Consumer Protection Unit must have trading standards officers to monitor and enforce legal requirements as to weights and measures and other things. The implementation of a small claims court is a step in the right direction and we are glad to see that Government is favourably considering establishing it since it was, Mr Speaker, originally suggested from this side of the House. It is almost incredible that in a modern Europe, which is paying increasing attention to citizens rights and extending facilities for consumer protection in all countries of the Community, that here in Gibraltar we have gone the opposite way. In practical terms, abolished the little that we had. The system we had no doubt had its problems and was not perfect but at least it was better than nothing. We urge the Government once again to give these matters serious consideration and change its policies and establish a proper organised, efficient and effective system of consumer protection for the people of Gibraltar. In conclusion, Mr Speaker, I would be grateful if the Ministers dealing with the subjects mentioned in my contribution could state when we can expect the implementation of these commitments. Thank you very much.

HON J L BALDACHINO:

Mr Speaker, before I begin my contribution on the Ministry I am responsible for, I would like to take up some of the points which were raised yesterday by the Honourable the Leader of the Opposition. In saying why the GSLP

Government had not given tax cuts and tax allowances in the last four years, he attributed a quotation to the Honourable the Chief Minister out of context. What the Honourable the Chief Minister said at the time was that he was not prepared to give tax cuts so that people could have more money in their pockets and then go and spend it in the Contiente in Spain. But however what he failed to say was that the Honourable Member had said in the same statement that the Government was prepared to help and to give tax cuts in the area of the economy which needed help at the time. Therefore, the £10,000 was introduced. Not only for the first time home-buyers but to everybody else who was purchasing a flat has the £10,000 allowance. That in itself is giving money back to the people in that area because that area of the economy at the time needed help. The 50/50 option, Mr Speaker, has given an opportunity to a wider cross-section of our community to own their own homes. Had we not offered this option, individuals would have been forced to look for 100% mortgage which would have had to be taken out and which would have affected trade, as individual purchasing powers could have been dramatically reduced. This could have been a reality, Mr Speaker, if the GSD had implemented its own policies. It would have meant very few people owning homes, trade in a far worst situation today and higher unemployment. This was confirmed by the Honourable Member yesterday. It was confirmed, Mr Speaker, by the nodding of his head when my colleague the Minister for Government Services challenged his party's position as to whether they would have cancelled the borrowing for the 50/50 scheme. His nod was clearly in the affirmative. This is the position that the Honourable Member should clarify to the House...

HON P R CARUANA:

Mr Speaker, if the Honourable Member will give way on a point of clarification. What the Honourable the Minister for Government Services asked me was whether we would have considered not doing the 50/50 scheme and that is why I nodded my head. Of course we would have considered not doing the 50/50 scheme. It would have depended on the mathematics in front of us at the time that the proposal was made. Would we have considered not doing it? Of course, we would have considered not doing it. It just means that we would not have done it or that we would have done it. To say that I said that we would not have had a 50/50 scheme is simply not the case.

HON J L BALDACHINO:

Mr Speaker, considering that the Honourable Member at the time was criticising the Government's borrowing and he was clearly against Government borrowing, what mathematics would he have needed to decide if he would borrow for the 50/50 or not?

HON P R CARUANA:

If the Honourable Member will give way, Mr Speaker. For example, borrowing is a question of extent and priorities. I might have borrowed for the 50/50 scheme and not for the New Harbours project. It is a question of priorities.

HON J L BALDACHINO:

For the new hospital or anything else.

HON P R CARUANA:

I said the New Harbours project. Never mind the hospital.

HON J L BALDACHINO:

It is clear, Mr Speaker, for the records then that the Honourable Member is not clear on his Party's policy whether they could have borrowed for the 50/50 and it is therefore not clear if, had they been in Government, the 50/50 option would have gone ahead and the scheme would have gone ahead. That is clear now, Mr Speaker. So they have not got a policy on that. He said he does not know whether he would or would not borrow. I think it is very clear now to the people of Gibraltar. Mr Speaker, we have been consistent with our policies on housing since the time that we were in the Opposition. What we preached then we have put into motion and the initial effects indicate that we will be able to eradicate Gibraltar's biggest social problem. We have not just provided a £10,000 tax allowance to home buyers only. This incentive we have extended to parents wishing to invest in property for their children. Something which I think that the Honourable Lt-Col Britto was urging the Government in one of his motions when he was a member of the AACR, that it should do. Apart from everything else my answer to that was the Government rather not take stamp duties was looking at something better which would help people even further. So I suppose that what he was saying in the AACR now most probably will be the policy of the GSD. I should not assume anything because what the Honourable Member was saying in one party may not really be the policy of the other. This, of course, will ensure that younger generations have the same opportunities today and do not miss out in later years. When we came into office in 1988 the housing waiting list stood at 2,106. Today that figure has already been reduced to less than 900. This figure will be reduced even further during the coming months once families release Government rented accommodation either because they have bought in Westside, Brympton or were successful in obtaining a self-repairing lease at Elliotts Battery. We estimate that there will be in the order of approximately 150 flats handed back to Government. In addition to that we are also investing our own money in the Gib 5 project, which will provide a further 584 units, 125 of which will be going towards making our elderly citizens more suitably

accommodated. Let me say that these flats will be completely refurbished. For example boilers will be included which is not a normal thing in Government rented accommodation. Also, Mr Speaker, twelve flats will be constructed for handicapped persons and this is being done in close consultation with the Handicapped Society. As I said during question time we have been able to rehouse 14 families living in North Gorge at Elliotts Battery. Those remaining and to whom we gave a commitment in 1988 will now be offered the housing units being released. We have further committed ourselves to offer alternative accommodation to those who were in the waiting list prior to this last general election. Commitments, Mr Speaker, that we seriously intend to fulfil as with all the others that we have made up to now in housing. But investing money in our home ownership scheme is not the only thing that we have done in relation to housing. We started a new major maintenance programme in government estates which were in rundown conditions when we came into office in 1988 and which we intend to continue as can be seen by the funds provided in this year's Estimates of Expenditure. I cannot, however, claim that we have been able to meet all of our objectives in one term of office. It would be an impossibility considering that maintenance had been nonexistent for the 16 years prior to 1988. But we have been able to tackle estates like Humphreys, Laguna, Moorish Castle, Glacis, Rosia and Vineyard House, Stanley Buildings, Shramrock and Davino's Dwellings and Penney House. The programme will continue for the remaining blocks in all of these estates. Moreover, Mr Speaker, we have started refurbishing and painting Varyl Begg Estate, now that the adjacent projects in the Westside area are nearing completion. To have done it before would have been a waste of money. Genova House in Catalan Bay and Shomberg in South Barrack Road plus other small projects in the town area will start this financial year. The maintenance section of the Housing Department is also constructing 30 extra units at Laguna Estate, 15 are estimated to be completed in August and the remaining 15 in September of this year. Mr Speaker, the Advisory Committee set up to look at the controversial Landlord and Tenants Ordinance is now meeting regularly with a view to proposing to Government an Ordinance which would be fairer both to landlords and tenants. I can, therefore, say that I am satisfied that during the next financial year we will see a major improvement in housing conditions of a greater number of Gibraltarians. Finally, Mr Speaker, I would like to thank the members of my staff and I would also like to end my contribution by thanking publicly Mr Russo who has been the Chairman of the Rent Tribunal for many years but has recently retired. He has carried out his duties with great dedication. Thank you, Sir.

HON M RAMAGGE:

Mr Speaker, my contribution to this debate will be based on two issues, housing and the production and distribution of our postage stamps and commemorative coins. Firstly,

although there can be no doubt that there has been great strides in solving the housing problem for many Gibraltarians or at least will have been done by the time the Westside and Gib 5 project are finished, there still remains the undisputed fact that a large number of our fellow citizens cannot afford either a mortgage or the high rents associated with the tenancy of a newly erected building. This sector of our community needs to be housed. In most cases, even more urgently than those who can afford mortgages, high rents or the recently introduced self-repairing leases. Although I have no doubts about Government's good intentions of rehousing these citizens in the cheaper premises left vacant by those moving to the new housing estates, I feel these are plans for the future. A future which may not seem too distant to us, but to those people who have endured sub-standard living conditions and its associated stresses for many years, a future which seems too distant and never ending. This Government have presently at their disposal the means of alleviating the plight of some of these citizens but in my opinion they are not tackling the problem with the normal sense of urgency. I refer, Mr Speaker, to the long delays encountered in the allocation of ex-MOD properties. Although the Honourable the Minister for Housing has taken the time to personally explain to me the reasons for the delays, I do not think they are totally justifiable. I think that with a little thought, extra planning and ingenuity, the delays can be substantially cut, if not altogether avoided. A point of further interest to Government, Mr Speaker, could be the amount of monies they would be saving by not having to repair vandalised properties. Whilst on the subject of housing, Mr Speaker, I fail to understand why a Housing Department which has behaved openly and therefore unquestionably beyond reproach for the past few years should now decide to dispense with the services of an independent and unbiased Housing Allocation Committee when allocating the eight units in Transport Lane. Surely they must have realised that this action would leave them open to unnecessary criticism and could well damage the recently acquired reputation for fairness.

HON J C BALDACHINO:

Mr Speaker, I think that there is a misunderstanding of the role of the Housing Allocation Committee. The Housing Allocation Committee, set up under the Housing Special Powers Ordinance, is a committee that allocates government rented accommodation. What we did in Elliott's Battery has been unprecedented, not having been done before by any other administration. Self-repairing leases were never given by the Housing Allocation Committee. We made public; the Honourable Chief Minister did and so did I, that we were giving the responsibility of allocation to the Housing Allocation Committee with a view that they could look at the flats and the people who had applied for these flats to see what they were releasing so in turn they could be given to those people who were less

fortunate than the Honourable Member says and were in the waiting list for rented accommodation. To criticise the self-repairing leases as being beyond those people in the housing waiting list is something that I cannot accept, Mr Speaker, for one very simple reason. If one understands housing and what happens after you give a tenancy, it is easy to comprehend that the self-repairing leases are not a more expensive way of allocating. Self-repairing leases have less rent per square foot than normal rented accommodation. If we are now talking about a person having to repair the inside of his flat that is a normal thing when you give an allocation on rental. The person that you have allocated that flat to carries out exactly the same repairs that they would do in the self-repairing lease; exactly the same. If you go to any Gibraltarian house I can tell you that you will not find anywhere in the world a better kept flat from the door inwards, than the ones that we have here. As a matter of fact, they are even better than some of the flats that people own outside Gibraltar. We are like that. It is simple. So you cannot criticise the self-repairing lease as being beyond most of the people in the waiting list. I would agree with the Honourable Member that there are some people in the waiting list who require to be allocated a government tenancy because they could not afford, not only a self-repairing lease, but they could not afford to pay a rent. The Government and its policies are geared precisely towards those people because if we introduced the 50/50; if we introduced the self-repairing lease it was because our present scheme does not debar anybody because of his income. Therefore, somebody who has a £50,000 salary is competing with somebody who earns £180 per week. It depends on how high he is in the waiting list, and that is how the Housing Allocation Committee allocates. By eliminating that area of the housing waiting list we are in effect helping those people that the Honourable Member is saying that we should help.

HON M RAMAGGE:

Thank you for your explanations which I think or I hope can be taken as good in some quarters. I did not need it because I have experience of what it means and I know that repairing any house can be a costly affair and we are not talking about the inside of the house, we are talking about the outside of the house which is the expensive part. So, therefore, I do not agree with the Honourable Member that self-repairing leases are affordable simply because the rent is lower. Very large bills can be encountered from year to year just to repair the outside.

HON J L BALDACHINO:

Just one point, Mr Speaker, which I forgot to mention. I would like to congratulate him on his maiden speech even though I do not agree with it.

HON M RAMAGGE:

Although you mentioned many things in your explanation, you have, I think, kept away from the fact that the Housing Allocation Committee did not allocate the Transport Lane units. Not to satisfy myself because I do not need to be satisfied, but if anything to satisfy those people who are listening in on the radio or will tomorrow read the papers. Perhaps you would be kind enough to inform them as to who it was that allocated the Transport Lane units. If nothing else to make them realise that fairness still persists. Turning to the production and distribution of our postage stamps, Mr Speaker, perhaps I should explain that these have since 1886 been handled by companies and institutions outside these shores. Everything worked well until 1974. From then to 1988 things went terribly wrong resulting in a loss of revenue to the Post Office which estimated conservatively was in excess of £5m. Prompt action taken by the Honourable Minister for Postal Services shortly after coming into office in 1988, led to a police investigation which resulted in the closure of a security printer in UK and a court action, which I believe is still ongoing. At the time I personally advised the pertinent authority, that is the Postmaster, that we should consider the possibility of printing our own stamps in Gibraltar and handle the worldwide distribution ourselves. By ourselves, of course, I meant the Gibraltar Post Office. At the time this was considered too drastic a step to take because of the cost elements. As late as last Friday, Mr Speaker, I was informed that excessive stocks of some 1991 issues have started appearing on the market and it could well be that we are facing a repetition of what happened between 1974 and 1988. At today's postal rates, this could mean that, this time round, the loss of revenue to the Post Office could well be in excess of £15m. I now put it to Government, Mr Speaker, that perhaps now is the right time to reconsider my suggestion as no matter how high the cost it could be insignificant when compared to the otherwise expected losses of revenue. I say nothing of the bad reputation we shall be getting as an irresponsible stamp issuing country. All this, of course, Mr Speaker, to be contemplated after my information has been verified and my fears confirmed.

HON J C PEREZ:

Mr Speaker, I did tell the Honourable Member yesterday that certain printing works in Gibraltar had been contacted to see whether it was possible to print the stamps in Gibraltar. We do not produce sufficient material ourselves to justify the expenditure in printers of that nature that would need to be acquired. That is the commercial thing apart from the security part of the printing side which is difficult to monitor in every country including

the United Kingdom; never mind in Gibraltar. Secondly, I would like to inform the Honourable Member again of what I informed him yesterday. If he has got new evidence that there is fraud in Gibraltar in relation to Gibraltar stamps, he should not stand up here and say so, he should inform the Police and start a new investigation. If what he is saying is that the same thing to what happened between 1974 and 1988, not only in Gibraltar but in other Commonwealth territories related to a case and a prosecution that is pending in the United Kingdom even today, is happening then that is a serious accusation, which would not be levelled at the Government or in this House. If he has got information, as a philatelist that he is, that this is happening, he should go to the Police and open a new investigation.

HON M RAMMAGE:

Mr Speaker, it is because I was told yesterday to contact the Police and it is because I was fobbed off with this being too expensive to print in Gibraltar, that I have decided to bring it to the attention of this House because at the moment there is no security printer. At least, I cannot see a security printer that can guarantee us the sort of security which not only us, but the world needs.....

Interruption

HON M RAMAGGE:

I allowed you to speak, now please allow me. I do not know who can print the stamps but certainly nobody can print the stamps better than Gibraltar for Gibraltar and nobody can take care of our security better than us. I, therefore, put it to the Government that the expense that we will face, if we do not bring the printing of the Gibraltar stamps and the control of the Gibraltar stamps to Gibraltar, then whatever the cost is, it will be dwarfed or be insignificant when compared to the losses which we shall definitely face. I said before that this should be entertained only after my information has been verified and my fears confirmed. I am bringing it to this House because I am 99% certain and now all I need is the names.

Interruption

HON M RAMAGGE:

No. No. It is true. Listen when I went to you

MR SPEAKER:

Order. Order. If you want him to give way ask him otherwise please do not interrupt.

HON J C PEREZ:

Mr Speaker, will the Honourable Member give way?

MR SPEAKER:

Do you want to give way?

HON M RAMAGGE:

Yes. Go on.

HON J C PEREZ:

Mr Speaker, I would like to repeat what I said before. If the Honourable Member has evidence that the fraud that was taking place between 1974 and 1988 continues to happen or he has got fresh evidence that it is recurring then he should inform the Police and a new investigation will be opened. But I have no evidence of that. The Post Office has no evidence of that and if he has the evidence he should inform the Police or if he would like me to do so I shall get the Police and send them to him so that he can give the evidence. It is no good phrasing in this House. The last time that the issue was raised, it was not only evidence in Gibraltar, it was evidence in other Commonwealth countries. It started an investigation by the CID in the United Kingdom. Another one in the United States by the FBI which has culminated in prosecutions of very high officials of a firm called CAPHCO which previously was the Crown Agents and these prosecutions are pending in the United Kingdom now. I am saying to the Honourable Member that if such evidence is in his possession as a citizen, never mind as a Member of this House, he has got an obligation to report it to the Police.

HON M RAMAGGE:

Mr Speaker, let me remind the Honourable Minister that it was as a citizen that I went to him in 1988 and explained the position after seven years of frustrated effort with the previous administration and it was only when he decided to go forward (which was immediately, let me say) that the investigation was started by the local Police. If I go to the Police today with the story again I will be fobbed off just like I was between 1981 and 1988. I therefore, yesterday solicited his help and it was refused. I was told to go to the Police. I think the Police will listen to the Minister rather than listen to me. Besides, I give them work only. The fact that I am bringing this matter today to the House is not because of what is happening to our stamps at present. After all that can be stopped again just like it was in 1988, but because it will happen and carry on happening throughout history unless we put a stop to it. The only way we can put a stop to it is by printing our stamps

locally. I have, let me declare, no interest in any printing works here in Gibraltar. So I have no interest in that manner. So, my interest is only in that we print the stamps here and keep the safety here. We have to have a safety net because this can cost a lot of money as has been proved. Mr Speaker, on the question of the production and distribution of our commemorative coins, the best I can say; and then only if my information is correct, is that the contract with the mint company has recently been, is being or will shortly be renegotiated. I say this because my information dates back about six months ago. Since then, for ethical reasons, all my personal contacts with Post Office personnel and more specifically with the Postmaster has been severed. If we are still in time and the aforementioned contract has not yet been signed, then perhaps the following information which the Honourable the Minister for Trade and Industry may or may not have to hand, can be of assistance to him when deciding the finer prints. I will start by stating that any country in the world carries a stock of all, and I repeat, all the coins they issue, be they commemorative or not. According to our previous, which may still be actioned for all I know, contact with the mint company, these rules do not apply to Gibraltar or do not appear to apply to Gibraltar. There is no stock in Gibraltar of all the coins that we have minted. Indeed, many of the coins that had been minted have not even been offered here. In some cases when a collector wants to update his collection or even to buy new issues he has to order them from the Post Office and then sit around for a period of between two weeks and two months for their delivery. Imagine the luck of a visiting collector when arriving in Gibraltar to trying to update his collection. He can never do it. He can never buy Gibraltar coins in Gibraltar. He can buy them in England, in Cyprus, in Malta and in America but not in Gibraltar. More to the point, the Gibraltar Post Office does not even give out information on the new issues or on many of the new issues that will shortly be appearing on coins. To do that local collectors have to go to Spain and buy a Spanish magazine and get the information from the Spanish magazine which is called 'Cronica'. There we get more information than we should really be getting because from them we find out that coins which are not supposed to exist and which the Post Office persistently tell us do not exist really do exist. Coins that are catalogued in "Scots" which is the American catalogue for coins and therefore sold in America, are unknown in Europe. Other coins which, as late as this morning acting on what Mr Feetham told me yesterday afternoon, I have send somebody to the Post Office, simply because I do not want personal contact, to buy two specific coins and I have been told, "We cannot sell them to you, you have to request them from Filado". Filado is a Spanish numismatic and philatelic firm. In other words Gibraltar, as I said to Mr Feetham yesterday, cannot buy them. They have to be bought from Spain. The Gibraltar Post Office cannot stock them because the contract that the Government at present has with Pobjoy, the mint company, apparently gives them the right, or Pobjoy thinks they have the right, to mint coins in the

name of Gibraltar and supply them to whoever they like and not to Gibraltar. Apparently this is the information that I have which is verified by what the Post Office is telling me. Only this firm of Filado can sell those coins. Those coins, to be more specific, are two extra coins minted in silver and commemorating the Olympic Games - which are these. This, like I said, comes printed in the 'Cronica' and 'Numismatic', which have already informed us of the fact that a fl silver coin was minted in, if I remember correctly, 1988 or 1989 and is only sold and available in the United States. I do not think that this is a state of affairs which the Minister would like to see remaining and if this has been of any help to him, like I said, when deciding the finer prints then I am satisfied that I have done the right thing and if, as Mr Moss said before, he thinks we are making no contribution, at least I have tried to. Thank you.

HON J E PILCHER:

Mr Speaker, I think the Opposition have made my job difficult this year because what I normally do, other than conceive from Hansard and I am not sure whether the Honourable the Leader of the Opposition only read Hansard as far as what the Chief Minister said. But if he had he would have found that since 1984 in this House, I have tackled the areas of my responsibility and also listened attentively to all the speeches made on the other side. I was sitting there between 1984 and 1988 and analysed and jotted down points of interest, points of different philosophy, points of conflict and then in my contribution I have mentioned them. Unfortunately, Mr Speaker, this year it is very difficult. The points which have been made, in the majority, are of no consequence. Obviously there are various other speakers to go and my Honourable colleague, Mr Feetham and the Chief Minister will answer. But, I have been disappointed honestly with the fact that what has been over the last four years - and obviously the Opposition are quite at their liberty to change - a state of the nation debate which was used by the Opposition as the platform - which now the Honourable Members opposite say they do not have because the House does not meet enough according to them - which they needed to air the differences with the Government and to air the difficult situation which they believe or do not believe. Mr Speaker, I will deal with the contribution of the Leader of the Opposition separately. The other contributions with the exception perhaps of Mr Louis Francis (which I would like to congratulate for his maiden speech) have been the airing of particular hobby horses. Obviously, making points in those particular fields. I do not want to be, as I said, desultory but we all know the background of different Members of the Opposition and really they have been using their role in this House, not as a mechanism for the defence of the Gibraltarians - the citizens which the Honourable the Leader of the Opposition called them - but for their own hobby horses. We cannot allow on this side, Mr Speaker, the Honourable Mr Cumming to say the GSLP militant in the Public Health Authority. That is the kind of thing that he was saying during the election and he was judged during the election.

My Honourable colleague Joe Moss is right, because under any other democratic parliamentary system there would not be seven of them there, there might be two. Maybe even three but certainly not seven and he now abuses the right of our democratic system by getting up and repeating and substantiated totally accepting in his mind what he was saying during the election campaign about the GSLP militants in the Hospital. There are no GSLP militants in the Hospital or anywhere else. There are GSLP members, many of them who share our belief but the utilisation of the word militant in the mouth of Mr Cumming is desultory because what he means, Mr Speaker, which we all know, is that he feels that the Government - obviously the Minister, because she is the one responsible - is utilising a separate system of militants to control the Health Authority. Mr Speaker, we do not require that. The Honourable Minister is the Minister responsible for Medical Services and in conjunction with the professionals as she said, she runs the services and does not require militants to help her. In fact, we get criticised on this side for being too authoritarian at times, so we do not require militants. Now I hope that it is the last time that we have to hear things like that which they were saying during the election campaign and which they were judged on and at the end of the day, Mr Speaker, the citizens of Gibraltar spoke and I think that should be the end of that.

HON P R CARUANA:

Will the Honourable Member give way?

HON J E PILCHER:

I always give way. Yes.

HON P R CARUANA:

This is the second speaker, Mr Speaker, from that side of the House that has raised the curious point; almost as if the Party on this side of the House had written the Constitution, that because of the size of our vote, we should somehow not mention subjects that were mentioned before or during the election campaign on the rather specious ground - if he does not mind my saying so - that because the electorate has spoken, they have spoken on each and every subject that we addressed during the election. That point of view, Mr Speaker, apart from being completely bankrupt of all intelligence is simply absurd. It is infantile. Does the Honourable Member really believe that we are disqualified from occupying the seats on this House, from doing our job and from fielding political points simply because we have raised them before the date of the last general election? Will he please say clearly whether that is what he thinks?

HON J E PILCHER:

No, Mr Speaker.

HON P R CARUANA:

I am delighted to hear it.

HON J E PILCHER:

What I object to is unsubstantiated comments which were raised during the election which were never substantiated, which was part of the campaign which started during the election campaign and which I think, Mr Speaker, continues to a point - and I will get back to the contribution of the Leader of the Opposition himself - which is out of place in this House of Assembly. These gutter tactics are out of place here. I have been in this House since 1984. We have had tremendous rows in this House of Assembly. I have sat in the gallery prior to 1984 when even yourself, Mr Speaker - because I have always been interested in politics - and with very few exceptions, which I shall not name, these type of gutter tactics have never been used in this House. We say what we have to say.....

HON P R CARUANA:

I realise that the last debate was about the gutter across the runway. But what do you mean by gutter tactics?

HON J E PILCHER:

Unsubstantiated comments like, for example, the ones just made by the Honourable Mr Ramagge when he said that we will be labelled an irresponsible stamp issuing country. In this House of Assembly, Mr Speaker, I think, this is contrary to the desires of what Gibraltar needs. Nothing else, Mr Speaker. I have made my point and I think that the only thing that I will say to Mr Cumming - in the same vein, because he spoke about the Union as well - he was made redundant in the Union some time back, he was made redundant in the Health Authority and I hope he is made redundant in this House if he does not change his present attitude, Mr Speaker.

HON M RAMAGGE:

I do not know what the Hon Member means about unsubstantiated comments. I have made no unsubstantiated comments. All my comments are substantiated. I do not know what you say.

HON J E PILCHER:

My Honourable colleague will check this, but if you are going to the Police with substantiated information, the Police will take it up. If they do not take it up I am sure it is not because the Police do not do their job, it is because they do not feel that it is substantiated.

HON M RAMAGGE:

I agree with the Hon Member, but then bear with me when I tell you that the Police did not listen to my story for seven years until the Honourable Minister for Postal Services asked them to listen and when they did and they investigated they found all of it to be true. The fact that the Police decide or not decide to investigate does not mean it is a lie.

HON J E PILCHER:

Mr Speaker, I will now come back to the Honourable the Leader of the Opposition. I think certainly one thing that I can say for him is that the money that his parents spent on him in education was certainly very, very successful as far as his oratory powers are concerned. He spoke for a long time, Mr Speaker, and in the vein of his normal contribution he spoke very well. But of course, that type of politics went out the window in 1984, Mr Speaker, when it was only enough to get up and speak well and the people of Gibraltar then said, "He is a very good speaker, he must be good, we will vote for him." That no longer applies. It stopped applying in 1984. Mr Speaker, I took the liberty of listening to every single word that he said and if I can utilise, I will choose my terminology carefully. If I take out of the equation the moans of the Honourable Member opposite including the moans that the system of the House of Assembly is not up to date and he would like to see new laws, more secretaries, more..... I mean we would all have liked to have seen that in our time, but there are certain priorities and we, like we have done the legislature, have always treated it very kindly but always cut its costs because we assumed that people would then feel that we were spending money on ourselves. Hence the lack of air conditioning in the hall which we could have done but obviously, Mr Speaker, it would have made our life more comfortable but we felt that there were better things to spend our money on. If I take out of the equation the moans, there were very few things, Mr Speaker, that he said. The same message again that he has been saying in this House for the last nine months about the lack of information, the changes in the accounting system and all the related matters took up probably 85 to 90% of his contribution to this House. I will not comment on those because, like the Honourable Juan Carlos Perez said, as far as I am concerned the Chief Minister will answer the part on the economy. But you see when I then analyse the other 15 per cent I see he is so inconsistent that I do not think that he fools anybody. He has been sitting in this House for the last year. He has been analysing, I expect, the contributions of this side of the House, and he, by his own admittance, has read back the Hansards to 1984, and yet he makes comments like, "Although there

has been the required growth, there has been no perks for the people of Gibraltar. Why do we not lower the tax system so that the people can see that there is something for the ordinary citizen?" To the point where he got to the situation where, when we laughed on this side of the House, it was not due to nervousness, Mr Speaker, it was because he had worked himself up to such a point that we genuinely thought that he was going to do a Winston Churchill or he was going to do a Ceasar on us. That, Mr Speaker, is why we laughed and he got to the point saying there are no perks at all. We have been explaining to the Honourable Member opposite

HON P R CARUANA:

I have not used the word 'perks' in the whole two and a half hours that I was on my feet.

HON J E PILCHER:

You see I do not have an Oxford or Cambridge background. I say 'perks', you say something a bit different. It is pure semantics, Mr Speaker. What I meant by 'perks' is giving accordingly to him, giving to the citizens what the citizens deserve in this growth or double the growth that we have had in the last four years. Mr Speaker, we have been explaining to the Honourable Member opposite, personally, and to his Opposition over the last three or four months, the difficulties, which he understands because he brought them up in his own contributions, that we have. The Honourable the Chief Minister spent a substantial amount of his contribution on that subject. The fact that we have got to run just to stay where we are. The fact that because of the cut-backs in the Ministry of Defence, because of various factors, the increase in the output of the economy is only to keep us where we are and in fact he said that over the next four years it will be the same. We intend to grow by another 50% just to stay where we are. So we cannot give and we cannot afford to look, at this stage, at tax cuts, Mr Speaker. He knows that and, therefore, the only natural conclusion is that the Honourable Mr Caruana is playing to the gallery but he does not fool anybody. The other thing is that - I think, Mr Speaker, here perhaps it is again playing to the gallery but in a way that one has to be very careful of because obviously most of the contribution of the Chief Minister is an economic contribution where he is actually giving out figures - the Honourable the Leader of the Opposition changed that round as if to say everything that the GSLP have done over the last four years is in aid of the Honourable the Chief Minister standing here today and saying we have doubled the output economically in the country. Mr Speaker, he said - again I will not quote him - something like we had boosted the economy but what about the citizens, what have we done for the citizens? Mr Speaker, he is talking about boosting the economy. Let us look at what it is that we have done over the last four years

for the citizens. I think that the Members of the Opposition, in standing up today, have had very little to say. Why? Because we have tackled probably the most serious problems of Gibraltar's (in 1988 it was its future, now it is its past) housing, the grave problem of infrastructure, the grave problem of electricity, the grave problem of water, the grave problem of incineration and created through the medium of certain entities, which my colleague the Minister for Trade and Industry is responsible for, a land bank and a future which is the only way. The Honourable Member opposite said now that he would not have spent in the New Harbours. But the New Harbours is a mechanism for the creation ..

HON P R CARUANA:

I said perhaps.

HON J E PILCHER:

You said perhaps? I have to be very careful because the Honourable Member opposite is a lawyer and he thinks that he is in a court of law, Mr Speaker.

HON J L MOSS:

If my colleague will give way. On a point of order, he may be Leader of the Opposition but he is not 'Il Duce' yet who can stand up without asking for permission.

HON J E PILCHER:

Mr Speaker, he said, "Perhaps I would not have spent money on the New Harbours". I think, that is what he said.

HON P R CARUANA:

I did not. What I said is that I might not have borrowed money in New Harbours in preference to borrowing it for something else like the 50/50 scheme. I am sorry you do not have to be in a court of law to require accuracy when citing other people in argument.

HON J E PILCHER:

I accept that but you see his argument gets more and more and more difficult to follow and if it gets more and more difficult to follow by me, it gets even more difficult to follow by the ordinary citizen which he says he is trying to defend. You answered precisely the same to the Honourable Minister for Housing when he tried to corner you on the £28m of the 50/50. You said "Perhaps I would, perhaps I would not. I may have borrowed for this but not for that". In the New Harbours it is the same but your overall policy is that we borrowed too much. So if we borrow too much, if you would have done the 50/50, if you would have done the Gib 5, if you would have done the New Harbours, if your members now want us to do a new hospital. I mean I know he can jump sideways everytime we try and corner him but he jumps sideways here in this

House and he may think he has scored a political point, but the people out there, like they asked themselves during the election, will be asking themselves now, what is it that he would have done or not done? We have spent money in the 50/50 which was to solve one of Gibraltar's most serious problems and the problem which to the ordinary citizen - although we accept that there are still problems was the gravest problem that we had in Gibraltar. Our record speaks for itself, Mr Speaker. All citizens have expectations. All of them, every single one of them even Members opposite have expectations. The Honourable Mr Ramagge wants to buy a coin and he has to go to Spain, so we all have expectations, but, Mr Speaker, in general, the citizens are happy. Most citizens are happy because of what we have done over the last four years and they proved that during the election campaign. I think the only other point that I would like to mention as regards the comments of the Honourable the Leader of the Opposition was when he interrupted, I think, my Honourable colleague the Minister for Education, Joe Moss, when he said that in the CPA people were horrified when we had expressed these comments. Mr Speaker, I led the delegation to Guernsey and I can say to the Honourable Members opposite and to this House; and he has got in either side of him two of his delegates, that as an entity, as a delegation, we were probably the most successful delegation in Guernsey because of our parliamentary discussions and because of our contributions and nobody was horrified. What people were horrified depends obviously on what side of the fence you are on. Whether you are Government or Opposition and I will give you one little comment. Where I was horrified - but because I was sitting on the Governmental side if you like of the delegation, and I do not want to be desultory because I genuinely believe in democracy. I am not saying this to knock the delegate who was the promoter. I have a great respect for the democratic system in Malta and I know a lot of them personally. But in the debate on the public auditing of the finance, he got up, he was a member of the Opposition and he said that what he had recommended or proposed to the Maltese Parliament was that they should have an independent commission, chaired by an independent person and by members of the opposition, with authority, at any stage, to go into any government office and check anything that they liked, get any information, any figures or any documents. Of course, that shows, Mr Speaker, that the difference is not that you can be shocked or otherwise, depending on what he said, but whether you agree or otherwise depending on the responsibility that you have. I know that there is a motion and I do not want to debate, it was just merely a pointer to the Honourable Member opposite when he said and I hope that this is not the information that he got from his colleagues, but a momentary lapse because he lost his temper - that he was horrified that other countries might be horrified at the things that we said and this is certainly not the essence of our delegation's contribution in the CPA in Guernsey or in other CPA that I have been or other of my colleagues have been.

HON LT-COL E M BRITTO:

If the Honourable Member will give way. I agree with the comments of the Honourable Minister for Tourism that as a delegation we acted in an exemplary fashion and I think we were probably commended on it, especially bearing in mind that most of the other delegations represented legislatures that were committee based and not Opposition and Government. He made the point in private beforehand and actually on the debating floor, to present a united front and to avoid anything that could be controversial. The only issue that was obviously controversial - and we had cleared our lines beforehand, the Honourable Joe Moss and myself who were the two speakers on this particular debate - was on the debate of parliamentary scrutiny of public expenditure where obviously we knew even before we could speak that we would make opposing statements on the advisability or otherwise of having a Parliamentary Accounts Committee. Obviously the Minister was going to speak against it and I was going to speak in favour. This actually happened. It was done in a manner that was non-controversial. It was purely a statement of fact and I think the Honourable Joe Moss will agree with me that we did not in any way cross swords or tried to play party politics on it. What may have happened, in this I blame myself in maybe not communicating accurately with the Leader of the Opposition, was that there were comments made to us in private afterwards. These showed, as there were actually in the public debate as well as most of the other delegations did not appear to react favourably to the idea of not having a Public Accounts Committee, a little bit of stronger reaction and stronger comments specifically from the United Kingdom delegation of MPs from the House of Commons. But they were, I must stress, comments made in private and not in the debate and it may be my fault because when we spoke about this point, my Honourable colleague and myself, it may not have been made clearly to him that it was not in the debate, that it was in private. I hope that clarifies the situation, Mr Speaker.

MR SPEAKER:

Well, if the Honourable Member, has not got anything to say on that point, we can now recess until this afternoon at 3.15 pm.

The House recessed at 1.00 pm.

The House resumed at 3.25 pm.

HON J E PILCHER:

Mr Speaker, before I continue my contribution, I think, I used a word this morning out of context and I would like to put it back into context. Instead of 'in a desultory fashion' when I was referring to the comments

made, it was in a derisory fashion and I should have said that the political manoeuvres of the Leader of the Opposition were desultory, Mr Speaker. I think, Mr Speaker, having finished with the various comments that I had on the contributions of the Members opposite, I would like to concentrate now on the department which I am responsible for. Before doing that there are two elements, Mr Speaker, that I would like to clarify. It appears to me that although I have answered questions in this House and although the position certainly, as far as we are concerned, was a clear position, nevertheless I would like to go through it one more time in this House so that everybody, including the media, is clear on the changes that we have had in the Tourism Agency over the last two or three months. As I have explained in the last House there have been changes in the way that the Government does its marketing and its direct advertising and public relations. These, Mr Speaker, as we explained in the manifesto, is now being done by the Gibraltar Information Bureau. The thrust has always been the thrust in the UK market and therefore the major thrust of that advertising and public relations policy is being done by the GIB in London but if we have other areas that we want to target it will be done through the Gibraltar Information Bureaux in the countries in which the advertising of the public relations was being done. There is some confusion and perhaps my Honourable colleague, Mr Feetham will explain that as well in his contribution. There is a difference in the direct marketing which the Government does through the Gibraltar Information Bureaux to the marketing that is being done in the International Development Board, which is a joint approach, if you like, by the private sector and the Government of Gibraltar. I think it is chaired by Mr Savignon and my Honourable colleague is a member. It fulfils a different role. I needed to explain the two different roles of the new emphasis in marketing and I think, Mr Speaker, as I said before, it follows the pattern which we established quite clearly in our manifesto just before the elections. Normally at this stage, I also explain what the strategy for the marketing is. But, of course, during question time, Mr Speaker, only two or three weeks ago, I explained, after various questions from the Honourable Member opposite, Mr Vasquez, what the strategy was short-term, medium-term and long-term. I do not think that I need to dwell on that subject, although if the Honourable Member in his contribution makes any comment on those, then I am sure he will allow me the opportunity to answer any specific comments or not, as the case may be. We will see what the character of the Honourable Mr Vasquez is as he makes his maiden speech in this House of Assembly, Mr Speaker. I think the role of the agency also needs to be explained because you see, Mr Speaker, again, if the Honourable Member opposite has looked through Hansard he will see that I explained the enhanced role of the Tourism Agency in the Budget session of 1990. There is no change in the role of the Gibraltar Tourism Agency.

It is the party contracted by the Government to look at the tourist product and having taken out of the equation the marketing and external public relations, it separates the external and the internal. The Tourism Agency is therefore responsible for all tourist infrastructure and responsible for an enhanced product. We took over the gardens, the toilets, the beaches, all the tourist infrastructure. This is a particularly favourite of my colleague. There is no change to that and as I answered to a question earlier on in this session, Mr Speaker, the Agency is looking at different ways of operating in order to produce more efficiency but there is no change in the overall role of the Tourism Agency and there is no change which is envisaged in the foreseeable future. Mr Speaker, we have already - I think that this is basically again just trying to follow up the various questions that I think the Honourable Member opposite which is shadowing me asked me - put in stream the advertising programme in Spain. I think it started, if I am not mistaken, last Friday and it is particularly geared at the Expo market and that together with the efforts being made by the Gibraltar Information Bureau in London, Mr Speaker, about which we will speak, I am sure, in Committee Stage when we view the budget input by the Government for marketing, is something which is already in stream. The other thing; trying to keep to a certain order and in following up the questions that were put to me in this session during the supplementary questions; is that I think both the Honourable Mr Vasquez and the Honourable the Leader of the Opposition made some mention of the fact that although I had made certain comments here, those comments were not shared by the professionals. The logic behind that statement was that the Chairman of the United Kingdom Gibraltar Tourism Association had made certain comments to the Chronicle in 'Golt in Print' which virtually run contrary to various statements that I had made in conjunction with the UK GTA and various comments that I had made in relation to the partnership that the Gibraltar Information Bureau and the trade had for looking at the problem of trying to market Gibraltar. I committed myself, Mr Speaker, with Members opposite to clear the lines between the Agency and the UK GTA which I did last Thursday and I am glad to see that the UK GTA has issued a press comment disassociating themselves as an association from the comments that were made by Mr Gary David. That does not, in any way, mean that Mr Gary David, who is a professional, does not believe what he said but I think what the UK GTA said (I will not bore Members opposite by reading the press. I am sure that they have done so themselves already) that those comments were quite clearly spelt out in the association meeting as being the comments of Mr Gary David as an individual and in no way shared by the other members of the UK GTA. The latter, as I have said continuously; were working, and are working at tandem with the Government, in a relationship and a partnership with us for the best benefit of Gibraltar in trying to market and to advise us what the best way of spending the money is and of the way that they would like to see the situation. Whether it should be more on public

relations, less on advertising etc. I think, Mr Speaker, the relationship that we have with the United Kingdom Gibraltar Tourism Association is important. It is a first on record. We have different competing forces working together for the common good of a destination. It is a link-up of the Gibraltar Information Bureau and the Government. I think it is also important because, in interchanging ideas, one always gets to the root of the different problems. Before I carry on with that let me say, Mr Speaker, that as is common knowledge, 1991 was not a good year for tourism. Although the statistics are not ready yet - I hope to table them at the next House - a preview of those statistics is that hotel occupancy was down in 1991 by about 25%. Although the numbers held; we had about four million crossings in the frontier as regards the day excursion element. There are varying reasons why day-excursionists come to Gibraltar. It could be shopping, it could be seeing Gibraltar. There are varying reasons, but a pointer to that obviously is the number of people that visit the sites. The pure day-excursionist at one stage or another visits the sites and the sites were down between, I would say, 10 and 15%. So although there was a maintenance of those numbers, I think from the point of view of the people visiting the sites, there has been another drop of about 10 or 15%. I say another drop because, as we are all aware, 1990; because of the reasons that we discussed last year, was not a particularly good year. What one cannot do is look at Gibraltar in isolation. I was really upset about one of the things of the Honourable Member. I hope he does not repeat it this afternoon. One of the outbursts of the Honourable the Leader of the Opposition yesterday, was in relation to the contribution of the Honourable Juan Carlos Perez. He stood up and - again perhaps I misquote him but I normally do anyway - said "At least if you are going to argue, you argue with the truth". I do not know whether I have got that more or less accurate but that, Mr Speaker, is the type of discussion and parliamentary debate that we should have here. During the election debate in one of the debates of my Honourable colleague Mr Feetham with the Honourable Mr Vasquez in a programme related to development but 75% of which ended up discussing tourism, he said, Mr Speaker, "But there is a boom in Spain, how is it that there is a recession in Gibraltar?". Well, there is no boom in Spain and I am not sure how the Honourable Member spends his day. Whether he reads the papers, whether he sees Sky News, whether he watches CNN, whether he watches.....

HON J MOSS:

He may play polo.

HON F VASQUEZ:

I do not play polo.

HON J E PILCHER:

Well, he may not play polo but he may read the newspapers. There is worldwide recession. Only the other night in Television Espanola, Mr Speaker, I heard the Minister

for Trade and Industry in Spain, which had just received a report from the Ministerio de Turismo in Spain, says that 1991 was a disastrous year. In Spain, there was a cutback of 25% of overall tourism and it is expected that this year it is going to be worse. The same message, Mr Speaker, was the message that during our parliamentary visit we got from the other countries and with the exception of Cyprus - that is a success story on its own - the other countries were suffering in tourism. In the tourism world - this is why I want to link back to the United Kingdom Gibraltar Tourism Association - recession is still with us. I will give you two comments, not made by me, but made by the professionals in the UK GTA. One of the sure signs that the recession in the tourist industry - certainly in the UK market, which is our main market - is still with us, is the big discounting by entities like Thomson who are now discounting like mad in order to get their share of the market in the UK. That creates a situation where, as probably all of you who look at tourism magazines will have seen it, we have £59 return trips to certain destinations. Full-board, all expenses paid as far as flights, coach and everything related for £120 for 7 to 10 days stays. Mr Speaker, recession is biting hard at the trade and we have another major problem in the European market - again mentioned not by me but the representatives of GB Airways in the UK GTA - which is that there is distress marketing in the transatlantic routes. The major carriers in the transatlantic routes are now discounting like mad to get their aircrafts filled and therefore are producing tremendous client/customer orientated programmes very, very cheap and you can go probably to anywhere across the Atlantic today cheaper than you can get to Europe, Mr Speaker. When the Chief Minister was referring to the recession and he made, what I consider from what I have read, a logical assertion as to the difficulties ahead in the worldwide markets, I saw the Honourable Member opposite sniggling as if to say, "There is the excuse". Mr Speaker, there is no excuse. The world is in recession and the tourism industry is in recession. We have, to a point, not been unfortunate in the day-excursion market because we have not suffered tremendously. The Honourable Member opposite - this is a point that may or may not be answered by my Honourable colleague - talks about the retail industry. I think that the retail industry in Gibraltar is doing relatively well compared to other retail industries in other destinations and all you need to do is walk up and down Guernsey to see that they are not. The amount of people visiting Gibraltar as a shopping destination, Mr Speaker, is not contracting by the same amount that it is contracting elsewhere. The overnight market has been the market that has been the most hit. When I say the overnight market, it is quite clear from the comments that I have made that it is the hotel occupancy. It is not something that I am happy about and it is something which is difficult to analyse. Sometimes, Mr Speaker, I think the saying goes I stand

again to be corrected - 'one misses the wood for the trees'. In the UK GTA, Mr Speaker, there was a report done by a certain advertising agency. I mean it is immaterial, it is one of many advertising agencies that are now tendering for the contract. It is important because, as I say, it is not something that we had thought of but it is something that on hindsight, not only on the Government but it also made a great impression on the United Kingdom Gibraltar Tourism Association. I am referring specifically to the overnight market and the report included the strengths and weaknesses of the destination, Mr Speaker. I will not bore the House by reading all the strengths and all the weaknesses, but I would like to point out one of the strengths. One of the strengths of Gibraltar as a destination was its proximity to Spain and Morocco. That was deemed to be by the advertising people, who had not dealt with Gibraltar before but did a market study - to see if they took on the account - on what were the strong points and what were the negative points. In the strengths it had proximity to Spain and Morocco. In the weaknesses it had proximity to Spain and Morocco and the initial reaction was precisely the initial reaction that I have got from the Members opposite. But if you think about it, Mr Speaker, when the frontier was closed anybody wanting to come to Gibraltar would have to come to Gibraltar and stay here whether it was three, five or seven days. It is now a weakness, Mr Speaker, because Gibraltar now is being sold as part of the package of the adjoining areas. So if you want to go to Gibraltar for a holiday, you do not necessarily have to come to Gibraltar. The advertising agent was saying that it is a weakness because that weakness is being exploited by people on the other side who are saying, "Well, if you want to go and see Gibraltar you can come to the Costa del Sol, stay here, we have got better beaches, we have got this and that, and then you can go and see Gibraltar". So, Mr Speaker, it is a factor which, at the end of the day, we have to take into account. There is very little, we can do as a Government; as I have answered the Honourable Member opposite at question time, within our limited resources. We continue to market Gibraltar. We continue to create many mechanisms particularly on the public relations side. We do that quite actively and again, the people who follow the news, will see we have brought people from the United States. We have brought over journalists and tour operators. We continue to do this, Mr Speaker, in conjunction with the professionals in the trade but, as I say, at the end of the day, there is worldwide recession and Gibraltar is not immune to this. The predictions are that 1992 is not going to be a better year. I cannot round off this subject better than in the words of the Honourable and Gallant Lt-Col Britto in GBC radio when asked by Alice Mascarenhas what, in the debate on tourism, had been the solutions that the delegates had come up with. His words were "Patience, there are no solutions, there is just

patience, we have got to wait for the market to pick up and that is what we need to do". If the Honourable Member thinks that I am now quoting out of context I have got the tape recording of that interview which I am quite happy to play back to him. That is the truth of the matter and I am glad to see that in the spirit of the partnership that we have established as fellow delegates in the Commonwealth Parliamentary Association, the Hon Ernest Britto with his hand on his heart, said the truth of the matter as regards tourism, Mr Speaker. The other aspect which is dealt with directly now by the Gibraltar Tourism Agency is the improvement to the market. The improvement continues. This is something that is updated so I will not again bore the House but we all know that the Nature Reserve has started. That is working well although it is difficult to compare because we are now no longer comparing like with like. One of the Honourable Members opposite said that we have not taken advantage of Expo. Certainly in the day excursionist market, we seem to be. There are more day excursionists coming. The pointer that I referred to before and I am using the same pointer, is the pointer of the sites. I can monitor the movement in the frontier but the pointer that I have always used is the pointer relating to the sites. It is not a marked improvement, but it is a slight improvement on 1991, Mr Speaker. Obviously, 1991 was not a particularly good year but the percentages of people visiting the sites is up. That in no way means that it is not a bad year. It is just that in giving you the picture of what happened last year and what is happening this year, Mr Speaker, then I thought that I should advise you, although I stress that I am not comparing like with like because the Nature Reserve is now a different entity, so I am not monitoring visits to the St Michael's Cave or visits to the Apes Den. As a pointer I am using visits to the Apes Den because I think that; as anybody in the trade will tell you, people may miss the Upper Galleries, may miss St Michael's Cave, may miss the Museum but are not likely to miss the Apes Den, so I am using the figures of last year's Apes Den with this year's Nature Reserve and, Mr Speaker, at this stage it is slightly up. We continue the project of the botanical gardens and the Alameda. I think we said initially it would take some five years before we had a botanical garden of international repute. I think that may well be a three year period. It is working very well and I am sure that if Honourable Members had bothered to walk the site, they would have realised the major improvements that have been made there. Let us not forget that that is a Government contract. It is very easy sometimes, Mr Speaker, for the Members of the Opposition and indeed a lot of members of the public, to criticise when something is going wrong but to totally forget when something is going right. The botanical gardens, Mr Speaker, will be one of our success stories and I hope it is going that way and I hope within the period of two to three years that that will be one of international repute. We tackled beaches very early on

and it is now a question of refurbishment and maintenance. I have no difficulties. I think the beaches will be ready this summer. At Eastern Beach, the beach cleaning equipment now seems to be working well and the difficulties that we were having initially in 1990 and in parts of 1991 do not seem to be with us again. In planted areas, Mr Speaker, we have had a major improvement and we will continue to have improvements in that area. Sites, I think, we have already mentioned. There is now a linking together of the Taxi Association, Public Service Vehicles and ourselves to look at the beautification particularly of the frontier area. The Chamber has asked us to look at it because it is the area that is the first visual effect of visitors coming into Gibraltar. I think, Mr Speaker, I cannot finish my contribution without making a special mention of the Litter Control Committee. The Litter Control Committee, which I chair, was set up as you all probably know, after we passed in this House of Assembly the Litter Control Regulations. I think, Mr Speaker, very little is known because it is a Committee that works behind the scenes. I praise all the members of the Litter Control Committee. It is a committee that brings together all the enforcement bodies and some of the advisory bodies. I am talking about the Police, the Environmental Health, the Housing Department and the Cleansing Department. All work in tandem in looking at cleanliness in the overall sense of the word and, Mr Speaker, I am glad to say that I have noticed; and I am sure a lot of Gibraltarians have noticed, a marked improvement in many areas of Gibraltar. I think the Litter Control Areas have been a total success. The parking prohibitions within the Litter Control Areas created a bit of a problem to start of with, Mr Speaker, but I think the cleanliness of Gibraltar and the ambience of Gibraltar has benefitted and the Committee is to be congratulated. Although I chair the Committee, Mr Speaker, in most instances they work independent of me and I think it is worth praising them for the work they do. At this stage, like I always do every year, Mr Speaker, I would like to say that the Litter Control Committee or the Cleansing Authority or any other Authority cannot work without the cooperation of the public at large and particularly because this is a problem that it is quite evident, cannot work without the help of the private sector. When we are looking at the cleanliness of Gibraltar there is a marked improvement but there is still some way to go and I think we require the help, not only of the individual citizens, but we also require the help of the private sector. With this aim in mind I am glad to say that after having a meeting with the chairperson of the Chamber of Commerce, a member of the Chamber will join us in the Litter Control Committee to try to help us with the private sector in getting it to cooperate with us for a cleaner Gibraltar, Mr Speaker. The Honourable Member opposite, Mr Francis, was talking about a Ministry of the Environment. It is true that on this side of the House we do not have such a Minister for the Environment although a lot of the things

that he has mentioned, Mr Speaker, are dealt under the guise of my Ministry; that is nature protection, monitoring and working with GOHNS, working with bodies to look at the nature aspect of it and the environment. We also do that on the beaches. So there is, Mr Speaker, a lot of work that has been done and although there is not a Ministry for the Environment, I assure the Honourable Member, as he rightly knows, that on the operational side the Tourism Agency and in fact the Litter Control Committee do look at aspects of the environment like Health Environment is being looked at by my Honourable colleague Miss Mari Montegriffo. The partnership works well. I do not think we require it, at this stage. Obviously it is the Chief Minister's prerogative in looking at changes to take this on board or not. But the system, at the moment, works well and environment is fully covered, on the health aspects by the Minister for Health and on the aspects of nature, of cleanliness, of pollution is covered by them, Mr Speaker. I think I have covered most of the points, I think all in all we continue the progress in the infrastructure. There are difficulties in the overnight market and we continue to work together with the trade to try and resolve that. 1992 is not going to be a good year but we hope that with the help of all the entities to make it, at least, not a worst year than 1991 which was a very bad year. As I have said before, Mr Speaker, if there are any points which the Honourable Mr Vasquez, who shadows tourism, makes, I will answer them at that stage or at the Committee Stage. Thank you very much, Mr Speaker.

MR SPEAKER:

You cannot ask for him to give way after he sits down. Would you like to give way?

HON J E PILCHER:

Yes, Mr Speaker.

HON M RAMAGGE:

Mr Speaker, at the beginning of his speech, the Minister for Tourism referred to my contribution as a hobby horse speech. It shows his lack of listening power or to put it.....

HON J E PILCHER:

Mr Speaker, in giving way I thought I was giving way to a point of clarification not a second speech. If not I will then speak again on the same subject.

MR SPEAKER:

You can only speak once unless you are proposing a motion which of course as a mover you speak at the end. You can only ask for clarification of any point that you have not understood or a point that you may wish to make but it has got to be brief. Something that you might wish the Minister to answer you.

HON M RAMAGGE:

No. Thank you, Mr Speaker.

HON F VASQUEZ:

Mr Speaker. It does fall on me in my contribution to reply to the contribution of the Honourable Member opposite for Tourism. I have to say, Mr Speaker, that I do it with a certain amount of trepidation because having looked at my Hansards over the last few years, I do appreciate that to get up and criticise the Honourable Member opposite for his performance in the field of tourism is rather like kicking a rockweiler with a sore head. You tend to get your head bitten off in return. I would refer, for example, Mr Speaker, to the contribution that Mr George Mascarenhas, my predecessor, made at this debate last year, when he had the audacity to criticise the performance of Government related to tourism. In reply it was inter-alia said that Mr Mascarenhas was making a personal attack on the Minister with responsibility for tourism out of personal motives related to Mr Mascarenhas's resignation from the Association of Travel Agents. It was said that he had a vested interest in the matters he was referring to and it was suggested that he was mounting an illogical attack out of madness or stress and I quote from Hansard, Mr Speaker. I, therefore, wish to place clearly on the record that I do intend to have a go at the Honourable Member opposite for his performance as Minister for Tourism but I want to make clear at the outset that I have no personal vendetta against him or any other Member on the other side, that I have no vested interest and certainly that I am not mad or suffering from stress. I simply do not happen to think that he has done a particularly good job over the last year as Minister for Tourism and I do not have to be mad to hold that opinion. I do hope that the Honourable Members opposite will accept the criticisms and the constructive suggestions that I do intend to make, Mr Speaker, and will accept that they are made on objective analysis after consultation with individuals and bodies involved in the industry. It will be refreshing if the Honourable Members opposite would accept these criticisms and suggestions in that objective aim as being well founded and to be confronted not as an emotional level but on the merits of the arguments and the points that I intend to raise. My predecessor in the Opposition benches, Mr Mascarenhas, who shadowed responsibility for tourism, made consistent attacks on Government's records on tourism as being the sector which was certainly their largest failing, Mr Speaker. I have to say that nothing that has happened in the last six months or in the last year has swayed me to believe that Mr Mascarenhas was in any way wide at the mark. It now falls upon me to carry on where Mr Mascarenhas left off in an effort to try and demonstrate that the Minister for Tourism is somehow getting it wrong. It is clear - in fact the Minister has confirmed - that the last twelve months have confirmed that the local tourist industry generally and the hotel sector in particular is in some

crisis. I would go as far as saying that the hotel trade is in severe crisis and on the verge of catastrophic decline. It should be stressed and I think the Honourable Member opposite would not disagree with me, that it is impossible to overestimate the importance of the tourist industry to the local economy. My predecessor again used to accuse the GSLP administration of not attaching enough importance to tourism and time and again the Honourable Member opposite would leap to his feet and regularly come to this stressing that the GSLP did indeed take a very important view of the contribution of tourism to the local economy. Certainly that is my point of view, Mr Speaker. According to the last employment survey, some 700 people are employed directly in the catering and hotel industries in Gibraltar. The Chief Minister will no doubt agree with me that the contribution of the industry to the local economy goes beyond the mere employment of those 700 individuals. The tourist industry constitutes one of the most important sources of external revenue into the economy and the multiplier effect of tourist spending in the economy filters through to almost every sector of economic activity. The Hon Mr Bossano, in fact, in his speech yesterday referred to Gibraltar's credits and debits. Well, clearly tourist spending in Gibraltar are important to Gibraltar credits. We are selling our services to tourists who come to Gibraltar and it is essential that the Government does everything to maintain that flow of income into the economy. The tourist industry has in recent years been an essential element in Gibraltar's economic well being and should continue to do so. Tourist spending made an important contribution at keeping the local economy afloat during the years of economic blockade and in the years immediately following the opening of the frontier made a very important contribution in resuscitating local fortunes. Any administration that underestimates the importance of tourism does so at its peril. The record of the GSLP administration, Mr Speaker, in the tourism/hotel sector has been and continues in my submission to be deplorable and the figures speak for themselves. Throughout the 1960s and 1970s, hotel occupancy in Gibraltar averaged out at approximately around the 50% mark. In the four years up to 1988 which is the year, as we all know, that the GSLP won the election and came in to form the Government - it stood at an average of 51%. By the late 1980s it was averaging over those four years up to 1988 at about 51 1/2% per annum hotel occupancy. That is not brilliant, Mr Speaker, but it is certainly enough to keep the industry ticking over. It was enough to make an important contribution to the local economy. There are lots of tourists who would be most dissatisfied with those figures but for Gibraltar, in a period of transition, it was not a bad figure at all. In 1989 the occupancy figures dropped to 44%. So immediately in the first year after they got in, we had a 7 or 8% drop. The following year it dropped to below 41%, that was 1990. The figures for 1991 we know are not available although all indications are - in fact the Honourable Member has confirmed - that there is going

to be approximately 25% down. 25% down on 41% means that in 1991 we were in the region of between 30 and 35% those were the figures that I have received from the industry - for hotel occupancy in Gibraltar. All the indications are that this year is not going to be much better if it is going to be better at all. So we are stuck at what I would consider rock bottom. Something between 30 and 35% occupancy rates in our hotels. Guest nights sold dropped in 1990 below 200,000. They were much lower in 1991, possibly a third down on that figure and when one considers that between 1985 and 1988 they were averaging at 275,000, again one gets an idea of the enormous drop in business that there has been in the local hotel industry. Again, all the figures speak for themselves. The average length of stay fell from being in excess of six nights in the 1970s and early 1980s to less than three now. Business generally is reckoned to be at least one third, if not more, down on the figures that we were experiencing only four years ago, just before or at the time that the Honourable Members opposite formed the first GSLP administration. What is clear to the industry, Mr Speaker, is that the overnight tourist trade has almost completely disappeared in Gibraltar. It is virtually non-existent. What is keeping the hotel industry afloat, Mr Speaker, is passing trade and business visitors, military personnel and other incidental visitors and this explains the short average length of stay. We virtually do not have any holiday-makers coming to spend their holiday in an hotel in Gibraltar, Mr Speaker. There is not an hotel in Gibraltar which is not facing financial difficulties and as the Honourable Member is aware, many if not all the hotels are having great difficulty paying their municipal charges, their electricity and their rates etc. Some hotels are having to cut down their operations which have never happened before and there is the real risk. I am not trying to exaggerate - I do not think the Honourable Member across the floor will dispute this - but there is a very real possibility that in the next few months a substantial player in the local hotel trade is going to go bankrupt. It is going to have to close down. It is going to add to the sorry catalogue of redundancies and closures in Gibraltar and clearly I put it to the House that what we have before us is a very bleak picture indeed of the state of the tourist industry in Gibraltar. An industry which I would put to this House is in crisis. The Honourable Member opposite, this time last year in this debate, denied that there was a crisis. I would hope that he now would accept that the industry is deeply in crisis and I ask a rhetorical question. What has happened, what circumstances have changed that have made Gibraltar a less attractive holiday destination? The answer in my submission, Mr Speaker, is that nothing at all has changed. The Rock is still there so is the Apes Den. The shops are still open. The hotel beds are waiting and the airlines are flying out to Gibraltar bringing their empty seats with them, Mr Speaker. A year ago, the Honourable Member on the other side blamed two factors; the Gulf War and the economic recession, for the atrocious figures that we were having in 1990, now

14 years ago. Those figures have not got any better. The Gulf War, Mr Speaker, is now ancient history and whatever the Honourable Member might say across the floor, my understanding is that the tourist sectors in almost every other destination are bouncing back. They might not be at pre-Gulf War figures, but they are certainly bouncing back and reporting substantially improved figures on Gulf War figures.

HON J E PILCHER:

If the Honourable Member will give way. I want, for the record, to categorically refute that, Mr Speaker, so that it can show on the record.

HON F VASQUEZ:

The Honourable Member refutes it. I do not have figures in front of me. I am talking from my conversations and reports that I have had from members of the tourist industry. We do not have the figures for this year yet. Time will tell, but I will suggest to the Honourable Member opposite that certainly most other tourist resorts, including the Coast, will be well up on last year. Substantially better than the Gulf crisis year. In Gibraltar that is not the case. In my submission, Mr Speaker, what has changed over the last four years, which would adequately explain the radical drop in the fortunes of the tourist industry of this community is that there has been a GSLP administration. For all their faults (and the Honourable Members across the floor laugh) the AACR administration had a Tourist Ministry. They had a Minister with singular responsibility for tourism, who had clearly identified responsibilities. He had a clearly identified marketing budget. He had clearly defined objectives to fill airline seats and to get our hotels full. Since 1988, Mr Speaker, we have seen the dismantlement of the Tourist Office and what I consider to be a disjointed, uncoordinated, ill-researched and unsatisfactory fragmentation of responsibilities relating to tourism which has had a disastrous effect on the local tourist industry. There is simply no coordinated policy either for the marketing or advertising of Gibraltar as a holiday destination or for the efficient administration of matters relating to tourism in Gibraltar. In 1988, Mr Speaker, in his first speech on tourism at the second reading of the Appropriation Bill, Mr Pilcher said the following: "The essential element which is missing is the coordination of policies in this area. We are committed to having a sector that is compact and successful. It is with the help of the professionals in the trade that Gibraltar will have a place in the market". Now I ask what on earth happened to that compact and successful sector? The first thing that the GSLP did was discard the Tourist Office; as I have already said, replacing it with a Gibraltar Tourism Agency Limited. The logic of that move always escaped me and it continues to escape me. If the logic of it was that the Gibraltar Tourist Office was an ineffective organ, well what on

earth is achieved by having it of in the Gibraltar Tourism Agency Limited with exactly the same employees and exactly the same people running it. It is my view that absolutely nothing was achieved by hiving it off in that way. After a while, we have now heard, it became apparent that the Gibraltar Tourism Agency Limited, for whatever reason, was incapable or not appropriate to run the marketing of Gibraltar. So we have further divided the Government's responsibility for the administration of the tourist industry. The Minister already having created this Agency; the Agency then devolves the responsibility for marketing to the Gibraltar Information Bureau. Again, the benefit of that escapes me, Mr Speaker. I do not see the benefit other than possibly that the Minister can wash his hands of everything that goes wrong with the GIB and take the benefit for everything that goes right because we know for example that the GIB made, what can only be described as a substantial cockup, when Cadogan Travel introduced their brochure, advertising Gibraltar as a multi-stay holiday. The very thing that he is now saying his advertising agency are suggesting now. There we had a brochure proposing marketing Gibraltar as a multi-stay centre and the GIB promptly go and stop it. The very office that is meant to be marketing Gibraltar, stop the circulation of that brochure. I do not know what on earth that office thought it was doing, Mr Speaker. I am not very clear who is responsible for making the policy decision as regards the marketing of Gibraltar through that office. As far as I am concerned, it is the Honourable Members' opposite political responsibility to make sure that Gibraltar is marketed as effectively as possible and I do not have a clue, Mr Speaker, how he thinks he is achieving that by putting marketing in the hands of a Gibraltar Information Bureau unlike the Gibraltar Tourist Office in London. The Gibraltar Tourist Office was designed for the marketing and promotion of Gibraltar 'period' as a tourist product. The GIB Office, Mr Speaker, since they are doing one hundred and one other things at the same time is marketing Gibraltar services in every sector and not strictly confined to pursuing contacts and marketing Gibraltar's tourist product, which is what Gibraltar needs today. It certainly does not seem that in the four years that he has had control of the industry in Gibraltar, the Honourable Member opposite has achieved the compact and successful organisation that he set out to do. Anyone with a modicum of experience in business management will see it as a ramshackle ad-hoc arrangement with no clearly identified responsibilities, no identification of goals and no clearcut managerial systems for achieving them. All this fragmentation, Mr Speaker, is reflected in the Estimates because I have to shadow a ministry which really is not a ministry at all. It no longer appears in the Estimates.

HON J C PEREZ:

Better for you.

HON F VASQUEZ:

No, it is not better for me. I wish it was, Mr Speaker, because nothing is being done to protect the industry locally. Go and talk to the hoteliers. Look at the state of the industry. The Honourable Members opposite seem to think it is very amusing. I think that there is nothing particularly funny about overseeing the dismantling of a tourist industry in Gibraltar. Looking through the Estimates one sees the fragmented nature of Government expenditure on the tourist product. We have under Head 16 under the Secretariat, 'Tourist and other Promotions'. Again we see Tourist and other Promotions. What other promotions? It is my argument, Mr Speaker, that this Government has not dedicated enough to the marketing; to the advertising of Gibraltar. The Honourable Member, Mr Pilcher on the other side has stated repeatedly over the last four years that the GLSP administration has spent more than any other previous administration on marketing Gibraltar. I would question that. Marketing Gibraltar in what way? Because if he considers that Ministers flying to Thailand and Latvia and wherever else they travel, is effectively marketing Gibraltar tourist product, I would argue with that. That is not marketing tourism; that is not marketing hotel beds in Gibraltar. It is marketing Gibraltar as an economy which they are trying to get off the ground. But I am talking about tourism and there has not been successful marketing of Gibraltar as a tourist resort in the last four years. In fact, despite repeated questioning both by Mr Mascarenhas before me and by myself, the Hon Mr Pilcher has refused to be drawn on the most important point of all. How much; and I still do not know the answer to this question, in the last year did Gibraltar spent on advertising the Gibraltar tourist product in England and how much is projected for this year? We have seen under the Head that I referred to that £400,000 has been set aside for marketing and other promotions. We do not know. Is that for the running of the GIB Office? Is that for the travelling expenses of ministers all over the world? How much, Mr Pilcher, is being spent on advertising Gibraltar? Who is the advertising agency? When is the product going to be launched? When is the campaign going to be launched? Are we in time for this year's market? When is it? Where is the result? I will certainly stand down if ...

MR SPEAKER:

You have an opportunity to find that out at Committee Stage.

HON F VASQUEZ:

In Question No. 94 of this year, Mr Speaker, I posed that very question and the Honourable Member opposite said that the money that is intended to allocate is included in the Estimates of the current financial year and when the Estimates are discussed the explanation will be given. I certainly am not aware of those figures at present, Mr Speaker, and certainly what I can say is; from my experience and the experience of those in the trade, that there seems to be very little evidence of a concerted advertising campaign and we saw that now, for example, who the advertising agents are who have the contract to deal with this. Advertising, Mr Speaker, is the lifeblood of tourism. Every holiday destination launches its advertising campaigns in the late winter to catch the summer holiday makers when they are making their plans in the spring of the year before their summer holidays. Time and again, Mr Mascarenhas before me would ask the Minister what is your advertising budget? When are you launching the campaign? The Hon Mr Pilcher would reply by referring to the 1988 four year plan of the Tourism Agency. What was that plan? What were the results of that plan? Where was the advertising under that plan? What was the scheme? Who is it aimed at? It was never clear.

HON J E PILCHER:

If the Honourable Member will give way for a moment. The advertising campaign was launched. The advertising continued throughout the three years. The amount of money for marketing I gave him last time. The new money for next year he will get during the Committee Stage as he has rightly pointed out. The late winter advertising in advance of the summer season was completed in January of 1992, Mr Speaker. There was an advertising campaign which was, according to the professionals, a very successful campaign which we ended the last week in January or beginning of February this year. This was the late winter for the April and Summer campaign, Mr Speaker, so I do not honestly know what the Member is referring to in that particular aspect.

HON F VASQUEZ:

Well I am intrigued to hear that because I am certainly not aware of where the advertising was directed. What media it appeared in and how it was aimed but you have done that?

HON J E PILCHER:

But why should you be?

HON F VASQUEZ:

Well, nor a lot of people in the industry, Mr Speaker.

HON J E PILCHER:

They are.

HON F VASQUEZ:

The Hon Mr Pilcher would also reply to the questions, as in fact he has done to questions put by myself, as regards the advertising budget on tourism of the Government by referring to the £380,000 spent on marketing - always marketing - in 1989/1990 and £450,000 again on marketing in 1990/1991. It is still not clear what the advertising budget is. I want to separate, Mr Pilcher, the question of advertising from what you would consider marketing Gibraltar. I want to know how much you have spent on advertising agents in England advertising the Gibraltar tourist product. We know that in 1987 the AACR administration spent £600,000. That was the last AACR budget on advertising the tourist product. At today's prices that would be £750,000. I am very sure, Mr Speaker, that the Honourable Member opposite is not planning to spend anything like that sum on advertising of the local product. Without advertising in the United Kingdom we are simply not going to get the tourists here. All the experts say the same. At this debate last year, Mr Speaker, the Honourable Member opposite said "I have had meetings, as I have said, with the tourist industry, with the Tourism Council, with the Association of Gibraltar Travel Agents, with the Association of UK Travel Agents and I have had nothing but praise about what we are trying to do". He seems to be basking in the glory of unmitigated praise from the Association of Travel Agents in the UK. That might have been his perception but as he has already indicated in his address, Mr Speaker, the impression of the Chairman of the UK and Gibraltar Tourism Association was something that was very different indeed. I intend to quote from the interview he gave in the Chronicle recently on this point. This is Mr Gary David talking about the UK Gibraltar Tourism Association, he said "The UK and Gibraltar Tourism Association....

HON J E PILCHER:

If the Honourable Member will give way. He must understand that the UK GTA has issued a press release disassociating itself from the comments he is going to make now if he is going to make them on behalf of the UK GTA. On behalf of Gary David he well can but after today's statement, he cannot use that as the feelings of the UK GTA. He can do it as the feelings of Mr Gary David.

HON F VASQUEZ:

Mr Speaker, this was the feeling in April of this year of the Chairman of the UK GTA. He is a professional in this field. The present Committee may have disassociated.

I do not know the circumstances why that has happened, certainly people who speak up vociferously against Government seem to disappear from this type of Committee. It has happened before but certainly these were the views of the professional, the very man who founded it. If I can quote him "The UK and Gibraltar Tourism Association was instigated by myself". He is the very man that founded this Association for one purpose and one purpose only. To act as a pressure group of the Gibraltar Government and to encourage them to spend more on advertising, PR and to encourage people to travel to Gibraltar. Unfortunately, due to the obvious lack of funds and interest in any of the above areas, it became much more necessary for the Association to become pro-active in having to lodge its own PR, advertising, press clips and eventually a brochure to the area in order to fill the gap that the Government had not identified. The lack of action on the part of the Government seems to have been unaffected by the Association's suggestions. I believe that the private sector involvement is important, however, due to the lack of promotional activity, is the Minister saying that the Government has been activating this promotional activity? Well, the former Chairman of the UK Travel Association..... The Chairman at the time that he made these remarks and a professional in the field (I do not think that he was dreaming them up) said "I believe that the private sector involvement is important, however due to the lack of promotional activity on the part of the Government, the private sector has suffered badly through the lack of tourism and I believe that Government should carry the can for its future growth. Whilst I fully appreciate the hard efforts in positioning Gibraltar as a tourism destination, I believe that due to the lack of all the necessary promotional activities in the UK to stimulate tourism in Gibraltar, it falls far behind its competitors". Let me come to the following piece. He was asked by the journalist a question "Your meeting last week here had a very heavy agenda, what decisions were taken?". And he said "Our Association meeting in Gibraltar this week highlighted the following that although the Gibraltar Information Bureau had now been given the role of promoting the destination, the fact that they still had no budget for the forthcoming promotional activities meant that they had once again missed the boat. Whilst other tourist offices completed their summer activities at the end of March, Gibraltar is unlikely to start their summer campaign until at least May or June of this year. This is most definitely far too late and will be money thrown away. I emphasised that if tourism took a nose dive this summer or next winter the Information Bureau would be held in the main responsible for this". And here is the President of the Association blaming not the recession, not the Gulf War but blaming the GIB's own inactivity and saying - this was only a month ago, this was in the middle of April, Mr Speaker - that the GIB still had taken no steps to

even allocating a budget for the launch of the summer campaign for the marketing of the destination. And that is my understanding and is still the case. In fact, the Honourable Member opposite referred to a tender he had received from an advertising agency and I am intrigued that if he has only recently had that; that, Mr Speaker, would seem to indicate that Government is still at this stage, in late May 1992, tendering for the advertising contract for Gibraltar. What good is that going to be at this stage? In April Mr David is already saying "We have missed the boat. If you do not get your act together by late winter, early spring, it is too late, it is money thrown away". Throughout these four years of GSLP administration, Mr Speaker, we have seen this time and again. Ineffective marketing. Insufficient and ineffective marketing. Mr David finished "I do not know who is to blame but I have never experienced the situation where the world stops and tourism dies for months because nobody can make a decision on a budget which has a major bearing for many people. Tourism benefits hotel trade, restaurants, shops, taxis and helps employment. Without this budget all this is being neglected". In fact, Mr Speaker, I do not know if the Honourable Member wants me to give way. In November of last year, Mr Mascarenhas again - I have been researching his contribution to the effort to try and stimulate some promotional activity for the tourist industry-specifically asked the Minister, "Will the Minister for Tourism state how the Government will promote tourism to Gibraltar during 1992 and what expenditure levels he envisages for this purpose?" And the reply was, "Mr Speaker, I am sure that this House is aware of the four year plan which was instituted by the Tourism Agency in 1988 since I explained this in this House on various occasions and the Member opposite in his private capacity. During 1992 the policy will have to be reviewed but this will be done after the next general election". And Mr Mascarenhas then asked a supplementary "Mr Speaker, at the possibility of accusing the Honourable Member again of being the worst Minister for Tourism in the history of Gibraltar, that is not a satisfactory answer. Have the Government anything further than what the Minister has said in terms of promotion seeing that tourism works in advance, as he well knows. Is nothing earmarked promotionally for 1992 or have I misunderstood his answer?" And the answer was "No, Mr Speaker, the Member has not misunderstood my answer at all. My answer is quite clear, there is a four year advertising plan which ends in 1992. The end of which will be in the autumn/winter and winter/spring campaign which is part of the four year plan which leads us into the summer of 1992, so that is the end of the four year campaign which is what I have explained. What will happen after that ie for autumn 1992 is something which will be reviewed after the next general election". Now it is unclear, Mr Speaker, what the expenditure that Government is budgeting in the present Estimates, the £400,000 for marketing, is for this summer's campaign or for the autumn

campaign? Certainly, Mr Speaker, if it is for this summer's campaign, it is simply far too late. It is too little, too late, they have missed the boat and it is money thrown away. So, that is clear from that interview with Mr David. They were his own views. It appears that he is no longer the Chairman of the Association. I do not know what friends of theirs the Honourable Members opposite have managed to pack into the Committee in London, but that were the independently expressed views of the professional marketing Gibraltar in London only six weeks ago and what they clearly.....

HON J E PILCHER:

Mr Speaker, if the Honourable Member will give way. We do not pack the Association with any of our Members. The Association has got its own rules of membership and only entities serving the Gibraltar market can apply for membership and the people or the entities which are members are all members of the industry in Gibraltar. I can go through them if the Honourable Member likes but I assure you they are the three major hotels, the two airlines, another of the airlines which is looking at the possibility of linking up with Gibraltar in the future and I think the Gibraltar Information Bureau. So it is not a Committee or an Association which is packed by GSLP militants, Mr Speaker.

HON F VASQUEZ:

Mr Speaker, what is certainly clear from that very candid interview given by Mr David was that the UK Association was certainly anything but full of praise for the efforts of the Honourable Member opposite as he claims was the case at this debate last year. What is clear from those sentiments and they are sentiments which have been repeated to me by other sectors of the industry, is that the downturn interest activity is caused not by any external considerations. Excuses have dried up. They have been caused by this Government's failure to commission and activate a proper advertising and marketing campaign in the United Kingdom which is where our medium and long stay tourists come from. From this side of the House, Mr Speaker, we call upon Government to recognise that we need a proper advertising budget. Even the AACR could get this right, Mr Speaker. It is not a question of whether we can afford it or not. It is a question of whether we can afford not to have a proper advertising budget allocated for the marketing of Gibraltar as a tourist resort in the United Kingdom. Unlike other recurrent expenditure tourist advertising pays dividends. It is not that the Honourable the Chief Minister took a comparison yesterday with the building of a new school. It is not like building a new school. It is not an intangible expenditure which yields benefit which can be quantified in financial terms. Advertising yields income. It is expenditure which generates income for the local economy. Now let us suggest that £1m spent on advertising Gibraltar effectively at the right time

would yield a sum far in excess of that. It has been suggested, Mr Speaker, that all the Members on this side do is criticise Government and not offer any constructive proposals. So I call upon Government to save the tourist industry. To do something to lift the tourist industry out of the crisis in which it finds itself now by taking what I consider to be three elementary steps. (1) To give the tourist industry locally immediately the priority that it requires, Mr Speaker. It is certainly the Cinderella of Government policy. It is a question of setting policy goals clearly and this Government setting themselves objectives. They set themselves policy goals in other fields. I do not see why they cannot do the same for tourism and tell us how many hotel beds they expect to fill in the years to come. They do not commit themselves in that way because they do not have that commitment to the industry, Mr Speaker. I suggest that it is time that they prioritise tourism and gave it that immediate priority that it requires. (2) That Government should rationalise Government services, by giving the Minister for Tourism direct responsibility for all issues relating to tourism and giving this priority ie the Minister should be himself directly responsible for everything to do with the marketing of Gibraltar and the improvement of the product here. Not to do it through the Gibraltar Tourism Agency or the Gibraltar Information Bureau. It is his responsibility. He should carry the can. Mr Speaker, it is a question of identifying responsibility and getting a managerial team worked out to achieve those as quickly as possible. That is not achieved by putting inbetween the Minister and the end product an infinite series of middle men and agencies etc. Finally, to allocate a proper and sufficient advertising budget and appoint an advertising company to see it through. If we can compare Guernsey, which is only twice our size after all, has a tourist budget of £3m. We have a marketing budget of £400,000 and it is my suspicion, Mr Speaker, that much of that does not get spent on advertising. We need to spend money advertising Gibraltar in the United Kingdom. Only in this way, Mr Speaker, can we prevent the lamentable decline in Gibraltar's tourist industry and further damage to that industry and to the economy generally in Gibraltar. Mr Speaker, that closes my contribution on the matter of tourism. There are one or two other matters that I would like to raise specifically on the question of justice and law which is a separate heading in the Estimates. Both the heading as expenditure and revenue which gives rise to various matters upon which I would like to comment and I would like to raise. It is clear that the estimated revenue from the Supreme Court in the coming year is £790,000, Mr Speaker. That is in court fees and registration fees. I am not clear yet from these estimates, Mr Speaker, whether that includes such things as

Admiralty Marshall's commission on the sale of vessels arrested and sold through the Admiralty Marshall. Certainly, Mr Speaker, that revenue estimate of £790,000 appears to be quite conservative in that the forecast outturn for the present year is well in excess of that at £1,146,000. The estimated expenditure for the Judiciary and the Supreme Court for the year is £955,800 which again seems rather conservative because the forecast outturn for the current year is £1,030,000. What is clear from the figures is that this sector of Government activity is actually in a position to pay for itself. Certainly on last year's figures there was revenue outturn of £1,146,000 and expenditure of £1,030,000 leaving a profit of well over £100,000 in that department alone. Clearly, Mr Speaker, this is a department which is almost paying its own way. Has paid its way this year and it has every likelihood of paying its way in the year to come. It is a good record, Mr Speaker, especially.....

HON CHIEF MINISTER:

If the Honourable Member will give way. He will see that the estimate last year was £700,000 and it is the same estimate this year as it was last year. It is not possible to predict with accuracy how many companies are going to be registered during the year. Obviously if he spends less time talking here and more time registering companies, the figure will be higher.

HON F VASQUEZ:

That is my job. The only point I was wanting to make, Mr Speaker, is that obviously last year it was a relatively conservative estimate. We have gone well over that estimate and there is every possibility that we will do that again. The point that I am trying to make, Mr Speaker, is that it is a successful sphere of Government activity. It is a good record especially considering that included in all this is the provision that Government obtains from the Attorney-General Chambers. In fact, included in the forecast expenditure also, are court fees, on what I presume is the court case being pursued by Government in the European Court of Justice. So quite clearly there has been substantial expenditure and despite all that there is every possibility that the judiciary will be in a position to pay for itself at the end of the financial year.

HON CHIEF MINISTER:

The answer is 'no', Mr Speaker. What the Honourable Member is telling me is registration fees and that is predominantly company registry. You could say the Company Registry pays for the Chief Justice and the Attorney-General and the Crown Counsel and so on, simply because we choose to put it down in the same heading. If we

put the Company Registry under the Fire Service then you could argue that the Company Registry is paying for the Fire Brigade, but in fact neither the Attorney-General nor the Crown Counsel nor the Chief Justice is doing any of the work that is producing the money.

HON F VASQUEZ:

Well I only made the point, Mr Speaker, because the company formation is something which has always been associated with the Supreme Court. The Registry is in the Supreme Court. It is an activity which is certainly allied to the whole provision of legal services in Gibraltar and something which has always come under that heading. The point is this, Mr Speaker, that if we are going to succeed as a finance centre, we need not only the expertise of local lawyers, accountants, trust managers etc, but equally importantly, we need a properly functioning system for the administration of justice. We need a well ordered, efficient and prompt judicial system, Mr Speaker, for the resolution of commercial disputes. It goes a great way to attracting much professional work to Gibraltar, for two reasons. It gives prospective players and investors in Gibraltar security to use the services of Gibraltar professionals and the speedy and efficient resolution of judicial work can actually have the effect of attracting such work to Gibraltar, both by, for example, international commercial contracts making Gibraltar courts the jurisdictional courts for the contract and also for attracting markets such as admiralty arrests in this jurisdiction. The Gibraltar judiciary as well as the profession, I dare say, does have a reputation for fair and competent resolution of disputes. We have that good reputation, Mr Speaker. What unfortunately this jurisdiction does not have is a good reputation for promptness. Delays are experienced in the resolution of commercial disputes in Gibraltar for two principle reasons. One is that we have two judges in one court and secondly that judges are forced to spend time taking, what I call, chambers applications in chambers. These are procedural matters which are time consuming and relatively straightforward. They are matters which in England are dealt with by a master, not a full judge. A master, a quasijudge, not as senior or as learned as a judge, can take these matters. We do not have a master in Gibraltar, Mr Speaker. From this side of the House, I would like to suggest that an answer certainly to the court question is easily at hand because we have the Magistrates' Court which is easily converted into another Supreme Court. The Magistrates' Court already I understand there are plans to move elsewhere. For two months earlier this year it was sitting at the Sergeants' Mess. So from this side of the House I would like to ask the Honourable Members opposite to consider (a) the conversion of the Magistrates Court into an additional Supreme Court to give the second Supreme Court judge, a Supreme Court of his own and secondly the appointment of a master which will be a relatively straightforward

and cheap appointment for a master to take chambers applications which would relieve the burden on the Chief Justice and the Additional Judge and give them much more time to deal with the hearing of court cases which after all is what they are supposed to be doing. It is suggested, Mr Speaker, that these expenditures would be insignificant and would grant enormous benefit to achieve the enhanced efficiency and enhanced reputation of Gibraltar as a jurisdiction. It is something that is certainly directly more revenue for the court and indirectly far more work for the local professions which ultimately will be for the benefit of the local community. The second point I wish to make on the question of justice and law, Mr Speaker, is the matter of the Legal Aid and Assistance Ordinance. At page 18 of the Estimates, under the Consolidated Fund Charges, we can see under the Judicature Item 1, that we have entered the figure of £8,000 for the provision of legal aid and assistance in Gibraltar. Mr Speaker, that by any standards is a paltry figure. Taking into account that, as we have seen, it is a department that raises a substantial amount of revenue for Government, to provide £8,000 for the provision of legal aid for the whole of the community is a paltry amount. Now the legal aid system in England upon which our own Legal Aid and Assistance Ordinance is based, Mr Speaker, was something which was introduced by the Attlee administration in England in 1945 and was seen as an essential pillar of the welfare state. I am not a socialist, Mr Speaker. The socialists are on that side of the House. I am a social democrat and if I, Mr Speaker, can say that the provision of £8,000 for legal aid for the whole community is unsatisfactory, I only wonder what view the Honourable Members opposite can possibly take.

HON CHIEF MINISTER:

Mr Speaker, I can give my view now. The answer is, he may not know this, that the sums charged to the Consolidated Fund, such as the one to which he has referred, are not voted by the House. They are inescapable and therefore the figure that is put there is a figure that the people in the court think is going to be the likely outcome, but we are not putting a vote and saying only £8,000 is available. The people in the court think that they are likely to spend £8,000 and I can tell the Member that the rules on eligibility were changed not very long ago and brought up to a level which was considered at the time to be very close to UK and was left in a flexible shape so that it could be periodically reviewed. He is not voting £8,000 in the House. There is no need to vote any money. It is a statutory obligation.

HON F VASQUEZ:

Yes, Mr Speaker, I know that and I accept that. The point is that the Honourable Members opposite are in a position to make legal aid much more achievable and

something which the ordinary man in the street can take benefit of. The point is that everybody should be guaranteed that access to the courts. In the same way that they are guaranteed access to health services. Two things are wrong with the system, Mr Speaker, and not one which the Members opposite can put right. The first of these is the rates of remuneration which have not been reviewed since 1983 and they are appalling. Yes, I can see that the Honourable Members are already suggesting that I am raising this so that I can get more for myself. The fact is that nobody, Mr Speaker, does legal aid work to get rich. It is work that all lawyers do out of charity because it simply does not pay. The brief fee for a jury trial at present, Mr Speaker, is £100. That is the brief fee. Generally the fees that are paid under the Legal Aid and Assistance Ordinance currently are running at approximately 25% of the rates paid in England and in England, as you will be aware those rates have given rise to a number of complaints. I am not suggesting that the rates be improved in order that members of the profession can earn more. What worries me, Mr Speaker, is that at the moment the Honourable Members opposite can speak to anyone in the registry of the Magistrates' Court whenever a case comes along and the defendant is seeking legal aid, the Magistrates' Court spends the best part of the morning ringing round every lawyer to see what lawyer will do this case out of charity. The question of the Legal Aid and Assistance Ordinance is meant to protect people who are undergoing a criminal trial and the way the system is being administered at present is simply not being achieved because the rates of remuneration are such that lawyers cannot be found to do the work. So that is the first point. It is absolutely essential that the rates of remuneration under the rules be reviewed and the second point also is the rate of qualification. The Chief Minister has indicated that this was raised. Yes it was raised two years ago for civil claims up to the level of £5,000. The point is that anyone with an income of over £5,000 per annum is not qualified for civil legal aid. What is clear from that, Mr Speaker, is that basically only people who are unemployed qualify for civil legal aid. Anyone in employment now is earning more than £5,000. Again that threshold is far too low. The Honourable Members opposite may not be aware but there are injustices being perpetrated because there are people who cannot afford to take their grievances to court and this is something which, with a little revision and no great expenditure we are talking about the paltry figure of £8,000 - that figure should not be substantially greater to ensure that individuals who do not have the material means are not deprived of the rights of taking their dispute to court. Finally, Mr Speaker, under this Head, I just want to once again mention the question of the Ordinances. I know my colleague has already referred to these. The state of our laws in Gibraltar are a disgrace and a shame. It has got into the situation, Mr Speaker, where it is affecting Gibraltar's reputation as a serious

jurisdiction. In the eyes of the law everybody is deemed to know what the law is. I question whether there is a single set of the laws anywhere in Gibraltar which are completely accurate and completely up-to-date. There is a plethora of statutory amendments. Amendments to amending ordinances, ordinances which have been brought into effect by legal notices, ordinances which have been partly brought into effect by legal notice, regulations, rules, etc, passed by legal notices, amendments to regulations and amendments to amendments to regulations. It gets to the stage, Mr Speaker, when one is researching the law and hoping that the advice that is being given on the law is correct. It takes legal research not to advise as to a legal problem but to advise exactly what the law is in any given circumstances. The situation is completely unsatisfactory and is something which has been brought to the attention of the Honourable Members opposite time and again. What we need urgently are annual updates of legal notices and ordinances with indices brought up every year at six monthly periods. We also need a complete new set of laws in a loose leaf matter to be printed and brought regularly up-to-date in loose leaf form. Without this, Mr Speaker, we just simply do not have the system available to us to know what laws are currently enacted. There are legal publishers that can achieve this, virtually at no expense to Government because once these have been printed, they can be sold. They are sold to practitioners. They are sold to law libraries all over the world and it is something that will virtually pay for itself if put in the hands of legal publishers. I can see no reason why Government should not take immediate steps to do something about such a disgraceful state of our laws. I am grateful, Mr Speaker.

The House recessed at 5.00 pm.

The House resumed at 5.20 pm.

HON M A FEETHAM:

Mr Speaker, I recall that in the closing remarks of my colleague, the Minister for Government Services, he described the Chief Minister as a person with great skill in the technical, in the economic and in the political arena. I obviously begin by saying that I agree entirely with those sentiments. In fact, I think it is an underestimation of the capacity of the Chief Minister. However, as far as I am concerned, I wish to simply describe myself as a person of average capacity and slightly politically motivated. I say that because I am not quite sure, Mr Speaker, of what has been said by some Members opposite about Gibraltar, about the way that we have been running the economy; whether, in fact, we have both been living in Gibraltar during the course of the last six to eight years. Therefore, in very simple language, without any scientific arguments, I want to describe the Gibraltar that I believe we lived in at the time we came into office. The Leader of the Opposition said that we had taken a great gamble and

that the work begins now in order to justify that gamble. I think, Mr Speaker, that there is a need for a correction there. I think the real work for Gibraltar started in 1985 with the opening of the frontier and the declaration of the British Government that the dockyard closure was imminent. I am not going to say what should have been done or should not have been done from 1985 to 1988. I think, what I am entitled to point out to Members opposite, who have got short memories, is to say how we found Gibraltar in 1988. The Gibraltar economy as the statistics and the scientific arguments would demonstrate to those who are cleverer than me, was stagnating in 1988. That GSL was in serious difficulties in 1988. That there was a mass exodus of Gibraltarians going and living in Spain - never mind Sotogrande for those who are quite entitled to have their second homes there or their first homes there, nobody is criticising that. There was a mass exodus of Gibraltarians leaving our shores to live in Spain because there was no housing in Gibraltar for people to live in. There was a rundown infrastructure available here already overburdened by the three years of the opening of the frontier putting excessive demands on the economy of Gibraltar. Those Members opposite who are in the legal profession will agree that there was a lack of positive legislation in different areas that were required to begin to stimulate growth in different areas of our business community. Whether we like it or not, the world was going into recession in 1988. I do not have to remind Members that it did not happen now. It did not happen twelve months ago. It was going into recession in 1988. It was seriously affecting the British economy or are we forgetting already the arguments put forward during the recent election by the British political parties in the United Kingdom. If I am being reasonable in the description I have put over to the House, then on coming into office we had to exercise options because, at the end of the day, if you want to govern Gibraltar you have to go for an option. An option must be for the political point of view of what economic programme we put into effect in Gibraltar to stop this stagnation, to provide alternative jobs and to stimulate growth. There are the options that we tried. Of course, there was the other option and the other option was to continue what the AACR were doing. Let me tell Members opposite that we discarded that option. Of course we had to discard that option. If we had gone down that particular road which is maybe what the Members opposite are advocating that we should have done, I can tell you for sure that it would have been no good talking about the 2,000 jobs that we are going to have in the MOD which the Member opposite Mr Corby was saying. There would not have been 14,000 jobs in the economy today if we had continued to go the AACR way. But I am not going to be talking about the AACR way. I am talking about options. We went for our option. Our option, by the very nature of what we wanted to do, was to create a strong economy over a period of time. It would have been ludicrous

to have decided to beautify Main Street so that Members opposite who were predominant in the Chamber of Commerce and in the trading community in Main Street would have made more money. That would not have been the sort of action to have taken and it would have been eaten up by the recessionary spiral that has taken place in the last four years. That is what I put to you. That would not have created real economic growth or real jobs. Why? It is very simple. If Members opposite would care to look at the statistics before the opening of the frontier, one of the arguments that was being put over by the trading community in Gibraltar was that, in order to man their shops, they had to have a certain level of employees and that most of them were underutilised and I can understand it because it was a numbers game. What the opening of the frontier did initially, was to provide a better utilisation of labour. It did not create jobs immediately. It created a more effective utilisation of existing labour. Therefore, in terms of cost to the trading community it began to bring it down and it began later as a result of what has been happening to create a number of jobs. If Members opposite are seriously telling this House that by not having looked in two or three particular areas of our economy, we have missed an opportunity, I have to take issue with that view. We were not going to accept going on the road that the previous administration had gone, otherwise we would have elected them into Government. One thing that we certainly would never have exercised as an option would have been to go to the British Government cap in hand, not for a hospital, but to say we need budgetary aid and to let the Governor in the Convent Place run Gibraltar and give all the powers to the Financial and Development Secretary to run our economy. No way! The Financial and Development Secretary, with respect to him, is a Civil Servant. The political responsibility for the economy of Gibraltar runs with the people who are elected. That is where the power stays, Mr Speaker. We took our option and our option was to begin to attempt to consolidate our economy. To begin to attempt. Two vital areas that are prerequisite are obviously land and the people of Gibraltar. Two vital elements in creating economic growth. It is a fact that Gibraltar was predominantly in the hands of the Ministry of Defence. It is only very recently, and it is no good talking on hindsight, that we made a very important decision. We were not going to get into an argument with the MOD, the Admiral, the Air Commodore, the Brigadier about what they should do or what they should not do in Gibraltar. We went into a land reclamation programme because it was necessary to create land to create economic growth and we did it for two reasons and two reasons alone. One was so that my colleague could provide all the houses that were necessary and bring the Gibraltarians back to Gibraltar where they belong and not in La Linea and to be able to give the people of Gibraltar an opportunity to go into home ownership for the first time in their lives on a mass scale and increase the home ownership from 6 to 25%, as we have done and to try to attract investment to Gibraltar. Now investment to Gibraltar,

Mr Speaker, seems to be a sour point with some of the Members opposite or some of the Members of the Party opposite. I just wonder why it is that some Members opposite appear to be so anti investment in Gibraltar. Why? Well, I will tell you why. What the Members have been saying only three months ago during the election campaign, Mr Speaker, was that all the things that we have done during those three years, in fact, was to spend £100m in investing in the economy to stimulate it. That is what you all said and today the proof of the pudding is in the eating. We did not spend a penny. All the investment, all the growth in the private sector; in the economy of Gibraltar up to very recently, up to nine months ago when we started borrowing money, was done through private sector investment, Mr Speaker. That is where the growth was. All of you, including the previous speaker in the radio debate with me and Mr Britto, were arguing that we had spent £100m in three years. None of that is true. That is a big lie. So do not talk to us or preach to us about hypocrisy. It is about telling facts and the facts are there, Mr Speaker. So about the private sector investment that came along, which must be a credit to the Government, I wonder what the Members opposite would have said to the Danish investors. "No, go away, we do not want your investment" and having said that presumably they would have also given up the millions of pounds that the Danes have paid for the land that I reclaimed. If I had told the Danes not to pay for the land on which to build, presumably they would not have had the building components factory with 120 jobs for Gibraltarians, that has built the Europort and is providing components for the Gib 5. Presumably they would have been against that. We have created the land and we have brought investment to Gibraltar. The incinerator would not be there because of course Baltica would not have been in Gibraltar. I think, Mr Speaker, that in terms of my responsibility in putting into effect the development plans for Gibraltar, I think, that we have carried out what we wanted to do. We made it very clear from the very beginning. Get land, attract investment and provide economic growth. The Member opposite is now saying that the work begins now. That we have got to fill up the offices. That we have to sell the flats. Is it not better to say that we have got to fill up the offices and that we have got to sell the flats than to have nothing at all there to do. Is politics not about a continuation? Did we ever say, Mr Speaker, that we only wanted four years to cure Gibraltar. We need an awful long time because today we are in just as serious a situation as we were in 1988. The only thing is that hopefully we may be in a better position to manage with all the competition that we are up against everywhere.

HON P R CARUANA:

If the Honourable Member will give way.

HON M A FEETHAM:

No. I am not going to give way because I do not think you need to justify your position. You have made it very clear, Mr Speaker, so therefore, at the end of the day, it is a matter of having exercised judgement. It is a matter of having gone down a particular road and, in my opinion, we are in a stronger position to attempt to consolidate Gibraltar's economy today than we were in 1988. That we have begun to borrow money for the 50/50 and that we have gone down the particular road of the industrial park, again it is a matter of judgement. We believe that, as my colleague the Minister of Housing has already explained, it is a sound decision that we have taken in assisting people to purchase their houses. We stand by that. I believe that it is a sound decision to have built the industrial park and time will tell. I would have great pleasure, quite frankly, in seeing it become a sound success. There are enormous areas of potential in Gibraltar that we have not even begun to look at, because we are virtually a very small economy with very limited resources and there are only twenty-four hours in the day and the Government tries to do as much as possible in trying to attract new businesses to Gibraltar. I am convinced that we will be able to attract new businesses to Gibraltar in the light manufacturing areas and in areas that we feel could use Gibraltar as a base for exporting into the Community. In my view it is a risk worth taking. At the same time I am sure Members opposite are not protecting vested interests in Gibraltar - I also thought and time will tell, that quite a lot of Gibraltarian businesses require to expand and were being constrained in their capacity to grow because storage space is important to them. Time will tell whether in fact this is not the case. Indications are the opposite. Of course I will not be pushing anybody in that particular direction. If anybody is pushing them in that particular direction, it is the leaseholders and the landlords who are actually increasing rates to such a level (let me say that most of the leases are Government and they are subleasing and increasing rents) that they are actually pushing people into the industrial park because it becomes more competitive going in that particular direction. The Government is not exploiting anybody. Having said that, Mr Speaker, the termination of development plans is virtually coming to an end with this meeting of this House. You will see that the reclamation is virtually complete. All the infrastructure is already virtually complete. There are some tying-up processes being done but all the infrastructure is now there. The private investments are now coming on stream. The industrial park is the one that is due for completion in the early part of the next year. So, therefore, that is not quite complete. Generally the things we think were necessary to have done have come to fruition. The next thing is where do we go from here? Of course, although nothing new, nothing scientific, it is important to sell Gibraltar. I think, everyone of us in our own way, in

our own particular profession, are trying to do that daily. What I think it does need is, of course, more coordination. More understanding of what the right hand is doing from the left hand, so that everybody knows exactly what we are selling. Insofar as business opportunities and the wider issues involved, the setting up of the Gibraltar International Business Board is a step in the right direction. I have to congratulate those initial pioneers in the private sector who have gone about setting-up that Board. I think it is a step in the right direction. I think an initial attempt on my part when we were practically entrenched on financial services was the setting up of the team with me. I asked people to serve in their personal capacity with me and we were able to get the financial services in place. We were able to get the Financial Services Commission in place despite the recommendation from official quarters who wanted to keep it inside the Government. I thought it better for it to be done outside the Government with industry expertise behind it. I think it has proved to be correct and I think it is the right policy to have pursued. I hope that that having happened, the Business Development Board strategy will take a similar line and will complement what the Government and Ministers are doing in their respective departments in terms of marketing their product. It will complement what we are doing. I think results will be seen. I hope results will be seen. Quite frankly, whatever Members opposite may say or not say, the reality is that Gibraltar has to survive. One of the things that we cannot do for political gain or to have a bigger headlines in the newspapers or whatever, is to shoot ourselves constantly in our own foot. We have got to be careful of what we say so that our image outside is correct. So that what we do say and what we do print is not a constant barrage of Gibraltar's ailments because that is what is falling in the hands, not just of Spain, but of other people who are constantly manoeuvring to try to bring Gibraltar down. I hope that in looking at the marketing exercise and at the work of the next four years that it is a united Gibraltar approach on that issue. Because I cannot overemphasise our serious predicament. It is not whether the Government can pay the debts; surely the Government can pay their debts. It is a serious predicament of being left out of the changes that are taking place in the Community in terms of business opportunities and the worldwide changes that are taking place that we have to capitalise on. Because we are small, we have got to try that much harder. I hope that the urgency that I am trying to express in what I am trying to say quite sincerely filters through and, at the end of the day, we think before we speak out and we think before we say things that could do us more harm than good. So I welcome the Business Development Board, I will work closely with that Board insofar as my responsibilities are concerned and we hope that it will be a success. Mr Speaker, I think, really a lot has been said. I do not want to continue to repeat what Members opposite quite well know,

so I am not going to prolong my speech. There are two or three points that have been made on the shipping registry. At Committee Stage I will have a lot more to say about that. On the consumer aspect, let me repeat once again that consumer matters is not just about lodging a complaint. A lot of consumer - related activities constantly take place in Gibraltar. In public health and in finance and in trade matters and so on. EEC Directives are being brought up to date. I can assure Members opposite that in the next twelve months we will resolve the problems about the office where the complaints can go. I hope that Members opposite will find it acceptable, Mr Speaker. Having said that, just to summarise; the four years development plan of the Government is now in place. We now enter a new era of marketing Gibraltar or trying to attract businesses into Gibraltar. There is a big market out there, but there is an enormous competition lined up against us. We will see how successful we are in the next four years. I hope that the message I have tried to put over; that it will take an awful lot of effort by everyone is understood. I think the key to our success is understanding the message that we have got to be more professional and less amateurish in our approach to all the things that we are doing, Mr Speaker.

HON LT-COL E M BRITTO:

Mr Speaker, before I start on my contribution proper to this debate on the Appropriation Bill, I think, it would be right and fitting to remind the House, as I am sure Members know or at least some Members maybe do not know, that it is parliamentary custom to congratulate speakers who make their maiden speech on any particular occasion and that the usual practice is for the speaker immediately following the maiden speaker, if I can put it that way, to do so. However, I appreciate that this model probably suits Westminster more than a debate in the House of Assembly on the Appropriation Bill, so therefore, maybe that is possibly why it has not happened today. I would nevertheless like to take on the job of doing it myself, mainly because my colleague the Leader of the Opposition has already spoken and secondly because I think it is probably fitting as I can call myself the longer serving Member on this side of the House. I think, all five speakers who have had maiden speeches today have spoken well and have presented well thought out structures and well prepared speeches. Mr Speaker, there have been two exceptions. I know the Honourable Mr Baldachino expressly congratulated Mr Ramagge and the Honourable Mr Pilcher did the same to the Honourable Mr Francis at some stage, but it is hardly the occasion to attack a Member on the opposite side of the House by saying that he is making a speech on his hobby horse or by knocking him on without having actually congratulating him first. I will not labour the point. I think congratulations are deserved and I hope we can keep that tradition, possibly one of the nicer parliamentary traditions for the future just as we have had it in this House in the past. Mr Speaker, there

is no doubt and Members on both sides have made the point during this debate, that the worldwide recession that we have been experiencing has had serious effects on Gibraltar and on its economy. This we all know is particularly felt in the private sector and especially in the finance centre and in the commercial and tourism orientated areas of the economy. But, Mr Speaker, despite reports from the Chief Minister of increases in GDP up to £300m for the coming year from £150m in 1988, there has also been reference, I think, by Members on both side; I think the Honourable Mr Feetham did it just now, there is, if not crisis, a situation approaching crisis in Gibraltar today. There are certainly fears being openly expressed out in the market place. We have heard of a major player in the hotel industry on the verge of having to close down. There is talk in the town of businesses having to close down and some having had to do so already and this all comes, as we are all aware, at a time that is particularly worrying and particularly difficult because of relatively high unemployment and the possibility of increasing unemployment as the job losses expected in the MOD take place. The Honourable the Minister for Labour and Social Security gave me, in answer to a question, the latest figure. It was 490 as opposed to a peak figure of 559 in September 1991 given in answer to another question from the Honourable the Leader of the Opposition. This shows that there has been a marginal drop but, I am sure the Chief Minister will agree, not as substantial a drop as I am sure he would have liked to have seen. Indeed the Chief Minister himself in his contribution - I hope that to a certain extent it may have been due to the effects of the travelling that he did in the few days immediately before the meeting - to this debate yesterday was not the Chief Minister that I have seen in the last previous four years in this House. He was not the standard bearer and the ensuring confidence and the Chief Minister who has given us speeches in this House which has shown confidence in what is happening. We have heard from him reports quoting experts on the degree of recession expected to carry on into 1993/94. We have heard from him not only that the Improvement and Development Fund is declining for reasons which he has explained and which we understand, but more worryingly his statement that, maybe tongue in cheek, I hope, he was not sure how the Improvement and Development Fund is going to be financed in 1993/94. But most worrying of all, Mr Speaker, is the figure of 14,000 jobs as a target for the next four years because, if we go to the Abstract of Statistics for 1990, we find that already in 1989 the number of jobs in Gibraltar was 13,974 and in April 1990, it was 13,843. In the Employment Survey for 1991, it is reported that levels of employment is nearing the 15,000 mark, totalling 14,782. I say worrying I assume the Honourable the Chief Minister will share the feelings because quite obviously, if we are intending to maintain the figure of 14,000 projected over the next four years that we have had three years back, the implications are that

on the private sector we have to increase the jobs - to put it in his own words, keep on running fast to stay in the same place - enough to take up the slack that the job losses are going to provide. I did not, with respect to the Honourable the Chief Minister, get from him, in his original contribution yesterday - I hope he will alleviate my fears when he exercises his right of reply - the confidence that this could be done. Something which I think was reflected in the Honourable the Minister for Labour and Social Security in his own contribution when, having said that it was Government's priority to keep down unemployment - which I found rather surprising for a Socialist - he then talked about the ideal unemployment levels staying between 3 and 5%. But anyway that is a diversion. He then went on to say that even if we had the priority of keeping down unemployment, and I quote "That they would try to take measures to reduce this unemployment". Hardly the level of confidence that I would have liked to have seen from that side of the House. Incidentally, Mr Speaker, if I can digress for a moment at this point, the Honourable Mr Mor also made reference to a comment by my colleague the Leader of the Opposition when he said that the Leader of the Opposition had said that social insurance had increased over the last four years and he corrected him by saying that it had not. What my colleague meant was social insurance in the terms normally accepted of the value of the stamp, which as we all know, is in the order of £17 to £28 over the four years. Mr Speaker, because of the absence of mathematical information in the Estimates, we are not really in a position to comment from this side of the House on the Honourable Mr Moss's statement - I think it was Mr Moss - that despite the difficulties, and I think I am quoting him, and tightening up due to recession there has been substantial progress in training and substantial funding in it. It is not possible for us to comment on this.

HON J L MOSS:

Mr Speaker, if the Honourable Member will give way. I may not have a crystal clear recollection of what I said, but I do not think I mentioned the word fund or funding in that particular context.

HON LT-COL E M BRITTO:

If that is so my note is not clear, Mr Speaker. If that is so, I will withdraw what I have said. In fact my note says substantial progress in training as opposed to funding, so, yes, I think that you are probably right. It may have been a comment from somebody else that I will not bother to look for now. What I am particularly concerned about is the retraining of individuals that has been referred to more than once in order to take up the difficulties in unemployment. Periodically we get generalised information from Members on the other side or through the media, of courses being offered by the Employment and Training Board and of the Youth

Training Scheme but in general terms - with the qualification that I have already made that it is impossible to make an accurate judgement or assessment - we feel that because of looming unemployment and because of the fears that we have all expressed, we feel that more resources should have been put into retraining to take into account the long-term job losses that have been expected. Incidentally, again if I can digress, the Honourable Mr Moss made reference to training in the Youth Training Scheme and said that he had not had suggestions or criticisms for alternatives that he had thought worthwhile taking up. Maybe the reason is that Members on this side of the House are not well acquainted on what is actually going on in the Employment and Training Board. If I could suggest to the Honourable Member that I would welcome an invitation from him to see the workings of that department because so far I do not feel that I have had sufficient information.

HON J L MOSS:

The point that I wanted to make, Mr Speaker, in reference to that is that a number of Members on the other side of the House, in fact, must have personal knowledge of how the scheme works because, as employers, they have taken on cadets. But I take the point that the Honourable Member makes and when we have finished our session in the House, I am quite prepared to invite him to my office and give him a detailed explanation of how the scheme is working.

HON LT-COL E M BRITTO:

I am obliged to the Minister. In fact, I have experience of how the scheme works in a personal capacity because I have had members of the Youth Employment Scheme and maybe that is one of the reasons why I have reservations which I will not go into in public and I will explain to the Minister when I meet him. Returning to the Estimates themselves, Mr Speaker, and to the mathematical content of these Estimates, I cannot avoid a passing comment on the worrying and the continuing trend established in previous years of finding ways of denuding these Estimates by leaving out information. As it is a subject of a censure motion and because of the directive from you, Mr Speaker, I will not dwell unduly on the £30 million excess of revenue that we understand has been extracted from these Estimates, except to say that I think it is totally wrong and completely unacceptable for any Government or anybody responsible for public funds to work on public funds in a way that does not disclose full information in the way public funds are being handled and there are

HON CHIEF MINISTER:

For the record I will just make the point that this is the allegation made by the Opposition and that when the motion is discussed we will see whether there is substance.

HON LT-COL E M BRITTO:

No, Mr Speaker, with respect, the allegation is.....

MR SPEAKER:

He just made an explanation. Let us leave it at that and carry on, otherwise we will have a debate before we know it.

HON LT-COL E M BRITTO:

And there are other examples, Mr Speaker, of this. For example, in previous years we have seen expenditure in tourism, which my colleague the Honourable Mr Vasquez already referred to, totally disappear from these Estimates, or almost totally except for a brief mention this year in two items. This year it is the turn of the Medical Services. On page 81 under Head 19 'Reallocations and Subventions' there is no provision this year for the Gibraltar Health Authority or indeed for any contribution to the Social Assistance Fund. Last year these two added up to £17m. Now, Mr Speaker, it is obvious that neither St Bernard's Hospital nor our medical services nor the Health Centre nor Community Care Ltd are likely to be closing down, so it is equally obvious that they are going to be funded from somewhere and that is obviously from the revenue that we know is not going to be shown.

MR SPEAKER:

Perhaps you could ask those questions at Committee Stage.

HON LT-COL E M BRITTO:

We shall see, Mr Speaker. But the point is that, at the end of the day, we are deprived on this side of the House, from knowing what funding is going into the Health Services and into Community Care to take two examples. Mr Speaker, I must stress the point that Government handling and spending of public funds in any democracy is subject to a system of checks and balances which is designed to safeguard all those concerned in such handling and should be made in such a way as to give as much information as possible. I must make the point that this Government is trying to do exactly the opposite to deny information to the public, to the media and even to the elected Members on this side of the House and I think that they will be answerable for it in due course. Mr Speaker, I do not want to stress the point, but all I will say is that if Members opposite do not agree, and maybe the Chief Minister can answer the point when he gets up in a few minutes, with what I have just said maybe he can explain to me why having decided to put the changes that he has made....

MR SPEAKER:

All that is going to come up in the motion. I am afraid

that you have the option of talking about that at this stage or wait for the motion and you decided that you would wait for the motion. You cannot have it both ways. So I am afraid I have to call you to order. You have got to drop that subject now.

HON LT-COL E M BRITTO:

Right, Mr Speaker, the subject of another substantive motion is the setting up of a Parliamentary Accounts Committee, something which exists

MR SPEAKER:

You are now going to anticipate the motion. Be careful, you see, because you cannot put a motion which you want to talk about later and start talking about it now. So I am afraid that I have to call your attention. That is anticipation and the rules do not allow it. So you will have to wait for the motion.

HON LT-COL E M BRITTO:

I just wanted to say that this is something that exists in all democratic parliaments and that has the powers of investigation into Government accounts and that I am afraid that if the Government sticks to its records that they will use their powers to defeat this motion. Coming on to government services, Mr Speaker, which is my responsibility to shadow, I will first of all like to establish a general principle so that Members opposite understand how we see things from this side of the House just in case there is any difference of opinion. We in the Opposition, Mr Speaker, consider that the essential services, like electricity, water, refuse disposal, telephones, remain a Government political responsibility even if they are privatised. Whilst we understand that after such utilities are privatised, it is not really possible or even practical to give financial information within these estimates, we nevertheless hold the Government politically responsible and answerable in this House for such things as the continuance, the quality, the efficiency and the cost to the public for such services. Earlier on in this meeting at Question Time, I attempted to obtain information from the Honourable Minister for Government Services regarding the terms of the contract between Government and the entities Nynex and Lyonnaise des Eaux. As you have already heard from my colleague the Leader of the Opposition; and I will not bore you by quoting again, the Minister refused to give the information that was being requested. I cannot resist the temptation to recall how incredible it is that after only four years in Government that the Honourable Chief Minister, who said in the Budget debate of 1988, and I quote from Hansard "We certainly would never have accepted a clause in an agreement that prohibited Government from making the agreement public", should today be allowing a Minister in his Government to make such a statement. The Minister,

in fact, Mr Speaker, made an attempt to distinguish between the contract with GibTel and the AACR and the contract between the GSLP Government and the Lyonnaise des Eaux and Nynex. But I put it to you, Mr Speaker, that whatever the differences, the principle is exactly the same and the principle is one of accountability and of people being informed of what is going on. The Honourable Mr Perez also told us that he had followed up the problems with Lyonnaise des Eaux that the public were complaining about and that he thought that everything was now corrected and everything was now alright.

HON J C PEREZ:

Almost alright.

HON LT-COL E M BRITTO:

Almost alright? I will not labour the point. All I wanted to say is that my information is that everything is not completely correct but I hope the Minister will succeed in correcting what faults remain and in providing a better service to the public. On GBC, Mr Speaker, we feel very strongly, as we have already said on this side of the House, about the question of support for GBC and in this we are a bit concerned that the restructure of GBC seems to have been done with fewer financial priorities in mind without a certain degree of attention to the marketing potential and the competitive situation of GBC vis-a-vis satellite television. We stress once again that we feel that GBC should carry on, has to carry on and ways and means have to be found of doing this. Perhaps at this stage I can take up the Minister for Government Services's invitation to comment at the Committee Stage on the Improvement and Development Fund grant of £150,000 and clarify for what sort of equipment. That is whether we are talking about capital expenditure or whether we are still talking about decoders. Also, Mr Speaker, on whether he can give us an indication of what effect the new Broadcasting and Telecommunications Ordinance, which he announced and which will do away with the monopoly of GBC, will have on GBC itself and what GBC itself fears on the implementation of this Ordinance. In his final comment which I would like some information on, he talked about no move for the prison, but about major repairs for the prison. I cannot find, and no doubt the Minister will correct me if I am wrong any reference in the Estimates or any provisions for these repairs. Mr Speaker, going on to Electricity, looking in particular at page 29 Head 3, 'The Electricity Undertaking', we find another example of deliberately not disclosing all the available information in these Estimates. Now following the closure of Kings Bastion, we understand that the necessity for the Estimates to be restructured and we see that they now show a total estimated expenditure on the Electricity Undertaking of £4.63m for 1992/93 against a forecast outturn for 1991/92 of £6.45m, a supposed saving of £1.81m. Now this estimated expenditure of £4.63m is

balanced on page 12 by a contribution of £5m from the Electricity Special Fund. This neatly balances the account but we are left completely in the dark about the true financial state of the electricity undertaking. Coming onto refuse collection and disposal - Head 15, page 61 - 'Support Services', I notice with some concern that the cost of collecting refuse has gone from £545,023 in 1989/90 to an estimated £1,540,000 for 1992/93, an increase of 85%. Similarly the cost of refuse disposal has shot up from £529,842 in 1989/90 to an estimated £1,050,000 for 1992/93, an increase of 98%. Combining those figures it will cost us 91% more to collect and dispose of our rubbish this year than what it was costing in 1990. During the same period, Mr Speaker, we have seen both the collection and the disposal systems being privatised and I will again invite the Honourable Minister for Government Services, during the Committee Stage, to give us an explanation for these increases. Before I wind up, Mr Speaker, I would like to make reference to one or two comments from other speakers on that side of the House. Initially to the Minister for Health Services, Miss Mari Montegriffo, to welcome the commitment to ensure that all these sporting facilities are in place for the Island Games and to express a concern that we, and I know that this is not the Minister's direct responsibility, make the best possible show in the running of these games by ensuring that the organisational, the official and the administration sides work as smoothly as it should do. I stress that I appreciate that it is not her direct political responsibility, but I have personal fears about the number of people necessary to run an event of this size as officials and administrators and so on. I hope that my fears are unfounded and the event is a tremendous success. Coming on to the Minister for Education, the Honourable Mr Moss, I am glad to see, and maybe I ought to declare an interest, that access funds are going to be available as from the following term and perhaps it will be interesting to know from those students who are affected whether in fact there will be any element of backdating in any claims or whether it will be purely forward looking measures. I do not want to get into an argument with him on the question of capitation but having taken his point that education has now become the biggest spender, our feedback and our information on this side of the House comes from professionals I understand, and from others in the field that even if capitation has not been frozen, as the question in this House was termed I would stress the need for funding of books and equipment to be maintained at an adequate level to at least, keep pace with inflation in our schools. I was surprised, I must admit, Mr Speaker, to hear the Minister for Housing - someone who I have learned to respect considerably; not to say I did not respect him originally, for his work and his efforts during the four or five years that I have seen him working in this House and for his efforts and what he produces - refuse today in answer to an invitation from my colleague to give the information on how the houses in Transport Lane, the ex MOD houses, had been

allocated. If it is, as the fears were expressed on this side of the House, that this housing was not allocated by the Housing Allocation Committee, then, I think, it is reprehensible on the Minister not to stand up and say so and to say why the system has been changed and what system has been used. A point arose more or less at the same time when my colleague, the Honourable Mr Ramagge, was challenged by the Honourable Mr Perez on the question of a possible fraud with stamps, that he should be going direct to the Police and not bringing it up in this House. I think it is perfectly legitimate for my colleague to have brought it up in this House because it is a matter of possible loss of Government revenue. Quite apart from any obligation to contact the Police on the subject, I think that there cannot be any doubt that it is a perfectly legitimate item to have brought up here.

HON J C PEREZ:

Will the Honourable Member give way?

HON LT-COL E M BRITTO:

Mr Speaker, I am very tempted to say no, because yesterday when I asked the Minister to give way, he said no to me. But being soft at heart I will forgive him on this occasion, but I promise that I will not do it again.

HON J C PEREZ:

Mr Speaker, I just want to inform the House that I have contacted the Police and that Inspector Mackay is to meet Mr Ramagge to take the evidence that he has and investigate his allegations.

HON LT-COL E M BRITTO:

Coming to the Honourable Mr Pilcher, I will just take him up in one small point. He complained about my colleague the Leader of the Opposition's comment on the law books and Hansard in this House by saying that it was not a priority for the Government side to spend money on the legislature less the electorate should think that we were pampering ourselves. I think that the comment is totally out of place. It is a perfectly legitimate comment that the Leader of the Opposition made that we, as legislators in this House, need to refer to law books that are up to date and that the work of those of us who are not professionals in the law field is seriously hampered by not having books that are up to date and not having Hansards made available to us more quickly. Again I stress what the Leader of the Opposition said. This is not meant to be any reflection on the staff of the House of Assembly who do an excellent job with the assets and the numbers that they have available, but the points that we are making are that those assets and those numbers ought to be increased. Finally, Mr Speaker, on the Honourable Minister for Trade and Industry, I

find it difficult to comment on his rather impassioned exposition of the gospel according to Michael Feetham on the state of Gibraltar and the way things were. But I cannot let his comments on the industrial park go by without saying anything. I share the hope which he expressed for its success but it is obvious that, at least until such time as rent in the private sector catch up and surpass those of the industrial park, the one basic advantage of an industrial park - I am quoting the Chamber of Commerce, not quoting myself - which is low costs and low overheads, has not been made. In fact, the Chamber of Commerce Report for last year specifically described it as a road to bankruptcy and pressing costs. But as the Minister said several times, time will tell. I am glad to see that on consumer protection, at last we have prevailed on Members on that side to do something about it and that changes are promised for this year. I hope that next year when you stand up in this House these changes will have already taken place. In conclusion, Mr Speaker, I would just like to dwell very briefly on Head 1 of the Estimates - Audit on page 22. It is just curiosity as much as anything else, but it was last year that the Honourable the Chief Minister said that he was very happy with the results being obtained by contracting out the auditing of Government accounts to private accountancy firms and in doing so reducing the manpower of the Audit Department from sixteen to six. Now despite this reduction, Mr Speaker, I see that the budget for the Audit Department this year is back almost to the level of 1991, before this policy was introduced. There is now virtually no financial saving. I also notice that under Head 18 on page 76, the Accountant General has actually reduced his estimate for contracted accountancy services. As I say, as much for curiosity as anything else, we would be grateful if the Honourable Chief Minister would comment on these figures and on the continuing success or otherwise of this policy to use private accountancy firms. Thank you, Mr Speaker.

HON CHIEF MINISTER:

Mr Speaker, it is not easy, in winding-up, for the Government on this year's Estimates of Revenue and Expenditure to defend the policy of the Government for the management of the economy of Gibraltar when it has not been attacked. I am therefore grateful to the Members opposite for their failure to find fault in our strategy because that is the essence of what we have seen here and of course I am not complaining. They have, in fact, expressed reservations as to whether we will be totally successful in achieving the results that we want but they have not questioned the desirability of the results. They have questioned the attainability of those results. Let me say, of course, that it would have been extremely difficult for the Members opposite to do anything other than what they have done today in this, their first Budget, given what they were saying to the people of

Gibraltar three months ago in a general election. Therefore, in defending the policy of the Government, I have no choice but to defend the policy of the Government in the context of what they claimed their strategy to be when they were trying to become the Government of Gibraltar because we have not seen it reflected in anything they have said here in this House. The last speaker drew attention to the figures in the Employment Survey which shows that the total level of employment in Gibraltar in the last year reached 14,700 and that, in fact, we are setting ourselves the target of maintaining employment at 14,000 between now and 1996. Well, the answer is of course, that we have reached 14,700 because we have built Europort and we have built Westside I and Westside II and we are not planning to build a Europort every two years from now on. If we were, then obviously we would require 2,000 people in the construction industry, which is abnormally high. I have already explained this when I opened. I said when I opened that one of the fortunate things about the structure of our economy is that if we go through a construction peak, we draw-in resources. We do the construction but unfortunately the resources then go elsewhere and we are not stuck with them. It would not be possible to build at the rate that we have built in the last three years if we had kept our construction industry at the rate of employment it was in April 1988, which was 800 people. With 800 people it would not have been possible to do any of the things we have done in the last three years. So, on the one side we see the expenditure of money and on the other side we see the increase of people employed and when the money has been spent the people stop being employed. It is that simple. Fortunately for us it does not mean that we will have permanently on our books 1,000 construction workers because those are construction workers that are mobile and they have been imported for specific projects and they will move because that is the way they normally work. They are used to it. They go to Seville and when the Expo is finished, they do not sign on the dole in Seville, they go somewhere else and therefore we have got mobile construction workers and I said in my opening statement that this is in fact not new. The development of the MOD complex at the south end near the Lighthouse was built by a company called Cybarco in the 1960s which was a Cypriot company that brought in Filipino workers. When the project was finished they went back. It has been a feature of our economy and it continues to be a feature of our economy and therefore we are looking at what Members opposite were calling the underline rate of employment. They seem to have forgotten it. We have not. That underlining rate of employment, Mr Speaker, before we came in, before the construction boom, was under 13,000 in April 1988 and that is the one we expect to keep at 14,000 with the construction industry which will be in the order of 1,000 jobs. We consider that to be the sustainable long-term demand for construction workers in an economy of our size, not 2,000 like it is today. But, of course, it does mean that we have

to increase output. We have to increase the efficiency of our structures just to compensate for the 400 jobs that we are going to lose in PSA in the next three months. Our strategy is not one of gloom. I hope that I can reassure the last speaker on the opposite side that in fact I am not pessimistic but I think it would be wrong to minimise the difficulties to give the impression that this is going to be a piece of cake. It is not going to be a piece of cake. It will take a great deal of effort and a fair measure of good luck to succeed in a situation where everybody else is hoping not to decline. That is to actually succeed in growing. Everytime I go out I come back with an even worse understanding of what is happening outside Gibraltar from what other people tell me. I have just been outside Gibraltar, as a Member said, and I have been talking to people who are very large players in the international economy. They are talking about a recession lasting four or five years. As I have mentioned in my opening remarks the Treasury economic model for the United Kingdom has just been revised downwards and they are now talking about zero growth in 1992 and about a decline last year of 4.9% in the GDP. We are still predicting what would be considered to be very high growth everywhere else in the world. But we are saying we need to do that, not to be 50% better off, but not to decline. What we are doing is to protect our standard of living as it is today against a background where other people are accepting declines. We are not prepared to accept declines. Of course, the position that we face in this first budget of our new mandate has to be necessarily that having done what we said was needed which was investing heavily in resources, in infrastructure, in buildings, we now have to go and sell them to customers. We have never hidden that fact. We did not hide in the election campaign, that in our judgement, we could not go out and sell the stuff before we had it and therefore if there was a risk being taken, the only risk was that we would not be able to sell all of it. But there was no doubt that without it, there would be nothing to sell and there was no way that the alternative being put before the electorate in January could have been better. The electorate was being told in January, as the criticism of Members opposite, that we had been going too fast. That we had been growing too much. That there had been too much investment. There would not have been 14,700 jobs in that survey if we had been growing more slowly. If Members opposite do not want to be accused of political dishonesty in the sense of deliberately misrepresenting things to people, then they have to understand that there is a fundamental inconsistency in the Honourable Mr Corby saying that it is important that we train people for the construction industry because we have to get our people into those industries where there is work. I agree entirely. There are things that he said which we agree with 100% and that is what we are trying to do. But, of course, the other side of the coin is that you must borrow money and spend it and build houses, otherwise when you have trained the people for the

construction industry, they are still going to be on the dole. It is no good training people unless at the same time as you are training them, you are training them for employment. It is no good training them for unemployment. We found a situation in 1988 where there was a system in the Government of a number of apprentices being taken in and then at the end of the day when they finish there was no work for them. We still have in the Government clearly a surplus of a number of trades which we are committed to keep in employment and sometimes when you look at these Estimates, Members have to realise that quite often the size of the painting programme is determined by the number of painters we have got. If we have got a policy of not making anybody redundant and all the painters were already there in 1988 well then you have very little choice. There is a limit to the redeployment that can happen. We have been able to maintain a fairly tight control on the recurrent expenditure of the Government over the last four years by not recruiting anybody since August 1988 in the public sector. I have told the House before that in fact even though the restructuring is taking place, it is going to be many many years before we can actually get to the stage of saying "Well, look we now feel that we have to start taking people again into employment because we are now in a situation where we have no surplus workers". We have got surplus workers. They are quite often in the wrong places and we may have shortages in other places but it is not easy to convert people from one skill to the other. I have to say that, in the main, most of the time we have had a great deal of cooperation from the trade union movement and from the workforce in accepting the realities of the situation in Gibraltar and in adapting to change. But even with the best will in the world, with all the encouragement, resistance is inevitable. It is in human nature. So within those constraints, the policy of encouraging investment in the private sector has been what has given us the momentum of the last four years. The effect of borrowing money did not explain the growth between 1988 and 1991 because we borrowed the money in May 1991 and we have not started spending it until October/November. So the reality of it is that it is in 1992/93 in the estimates of this year and in the outturn of the last few months that the economy of Gibraltar is going to see the impact of the increase in borrowing and because that increase in borrowing has been bunched on a very short period of time, it is of course the case that we will not be able to continue spending and borrowing at the rate of the last nine months. But that has not been the rate of the last four years. We would not have been able to do that for four years. We were not borrowing £50m every twelve months and spending it, otherwise our debt would have increased by £200m in four years and it did not. I would have liked to do it but I was not able to. If Members look, in fact, at the Estimates, they will see that in 1991 the public debt, which is always shown as a footnote, was something like £33.5m. It is

on page 3 and it says 'Statement of Liabilities'. At the bottom Members will see 'Public Debt of Gibraltar - £33½m'. So if Members look at what the figure was in March 1988, they will see that between 1988 and 1991, which was three out of four years of our term of office, there was hardly any movement at all in the National Debt. So obviously that was not the explanation for the growth of the last four years because the growth did not occur in the last twelve months. The Leader of the Opposition, in his opening remarks and I might as well mention it here since I am on the subject of the public debt, made reference to the debt servicing cost quoting the OECD economic outlook of December 1991. I have to say, of course, that it is admirable of the Member opposite to try and acquire expertise in this area by reading the pertinent publications but since he fought an election in January by quoting page 129 of that publication and he is now quoting page 130, if he progresses to the book at the rate of one page every five months, it is going to take him a long time to go through it. Of course, he misquoted page 129 and I am afraid he has misquoted page 130. Maybe he needs even more than five months to go from one page to the next. The House will recall that, in fact, I believe it was Mr Vasquez who claimed to have some top expert advising him on this particular subject in a debate with my colleague on television, where he said that the net public debt was the relevant figure and not the gross public debt and that we were quoting the gross public debt and not the net public debt. Well, I answered that point in a subsequent television appearance during the election, Mr Speaker. I pointed out that the difference between the gross public debt and the net public debt was primarily attributable to Japan in the average for the OECD and if one looks at these two tables which he quoted during the election, it shows that in fact the gross public debt in the case of Japan was 72% of the GDP in 1988 and the net was 17%. The reason for that was that between the 72% and the 17% was the money held by the social insurance fund of Japan and nobody else in the world, other than Japan, counts the money in the social insurance fund as national debt, because it is the Government borrowing from itself, borrowing from the fund. If we were to count our Social Insurance Fund, which is privately invested, and deduct it from our national debt, which is what Japan does, then our ratio would come down substantially. But of course, we use the same criteria as everybody else does and that is the primary difference. If the Member looks on page 129, in his little book, he will find that the primary difference between the two averages, which is that the average in 1988 was 59% gross for the whole of the OECD and 32% net. But if he takes, for example, the average for the United Kingdom, he will find that the difference between the gross and the net is very little. The big element in the OECD is Japan. Why am I referring him

to those figures and to 1988? Take the figures in page 130 and compare them with the comments of the Auditor on page 14 of the Audited Accounts for 1989/90. On page 14 the Auditor does say that the debt servicing ratio, which was interest to a number of items of revenue, was 6.41%. Of course, in that same paragraph the Auditor said that in 1990 our debt to GDP ratio was 18%. The Member does not obviously think that that is any more a relevant statistic. Having found that the statistics that he was using in the election campaign compared to GDP, is no longer helping him to prove the case, he has now forgotten page 129 and moved to page 130. I am afraid he has got it wrong in page 130 as well because if he looks at the top of his little table he will see in very small print that it says that the ratios given there; which he quoted, are as a percentage of total expenditures and the ratios quoted by the Principal Auditor have nothing to do with total expenditures. They have to do with income tax, import duty and rates.

HON P R CARUANA:

Will the Honourable the Chief Minister give way? If he looks at the footnote in even smaller print at the bottom of page 130, he will see that total expenditures are defined as current receipts minus net lending, which if he had been listening to me more carefully he would have noticed I also pointed out to him.

HON CHIEF MINISTER:

Mr Speaker, but the Honourable Member produced an estimate of what our debt servicing ratio is by comparison with what the Principal Auditor says in his report. He said we were going up to 14%. That is the figure that he quoted.

HON P R CARUANA:

If he will give way again briefly. I did two separate exercises. I measured the debt servicing costs in relation to table 38 on page 130 and then as a quite separate exercise, I measured it on the basis of debt service to key revenue ratio, which is what the Auditor used in the last set of accounts and I produced the answers on both different basis. Why the Honourable the Chief Minister now feels the need to confuse the two calculations is beyond my comprehension. Perhaps he would like to explain it.

HON CHIEF MINISTER:

Mr Speaker, it is quite obvious to me that the only reason why the Member was producing this figure and the Member was quoting this, is exactly the same reason as they were using in the election campaign. They are trying to demonstrate to people that whatever it is we are doing in the management of the economy compares unfavourably with other Governments in other countries. Otherwise what is the purpose of it? What does he think that the

electorate, the Members sitting in this Chambers, the people glued to the radio want to find out what is the debt servicing ratio of the OECD? Most people in Gibraltar do not even know what the OECD is. Therefore what is the political message?

HON P R CARUANA:

If the Honourable the Chief Minister can justify the public debt of Gibraltar by reference to statistics in the OECD but by one reference to one criteria of the OECD and there is a second criteria used by the OECD that produces a slightly less favourable result, he accuses me of quoting irrelevant statistics.

HON CHIEF MINISTER:

No, Mr Speaker. We have not justified the level of debt in Gibraltar by reference to the OECD except to refute the allegations of the Member opposite based out of malice or ignorance - I am still undecided which it is - that we are being, if you like, insufficiently prudent in our borrowing policies. Although at the same time he wants us to keep down unemployment and he wants a successful economy and one cannot be achieved without the other. The reality of it is that he knows that. He knows that it would not be possible to have spend £3m on the school without borrowing the £3m and when my colleague, the Minister for Housing said "Does it mean, if you have to choose between borrowing money and supporting the 50/50 co-ownership scheme, you would not have borrowed?" He said "Yes" and then he said, "No. I have not said I would not have done the 50/50, I said I might or I might not". Well, one thing is clear. He might or he might not have done the industrial park and he might or he might not have done the 50/50 and he might or he might not have refurbished the Bayside Comprehensive and he might or he might not have done South Barracks. But one thing is certain. He would not have done any of them without borrowing. That is certain. Therefore, the borrowing was done, not because we wanted to be as good as the highest borrower in the world. There is no competition in that field. The borrowing was done because we wanted to have homes for our people and jobs for our school leavers and decent schools in which they could be educated and we are not rich enough to do it without borrowing. We moved in that situation, I would remind the Member opposite, from a position criticised by me when I was sitting over there, which we considered, in the GSLP, was in fact not sufficiently prudent. That was to borrow to balance the annual budget. If the Member goes back to 1987/88, he will find that after the Loans Empowering Ordinance of 1984, for the first time there appeared, as recurrent revenue, the proceeds of borrowing. I criticised that because I thought that was ridiculous because if we accept philosophically that the more we borrow the better off we are, then obviously the answer must be to borrow up to our ears and then we are very rich. We have always

argued that it is one thing to borrow to build a school and it is another thing to borrow to pay the school teachers. To borrow to build the school, you can say this is an asset that will serve us for twenty years and it will be paid not by one generation of taxpayers, not by one generation of workers, it will be paid over their lives. So we have borrowed fourteen year money from the money market in London. We are committed, through our fiscal and economic policies, to make sure that the amount of £50m will be there in fourteen years time to redeem that debt. I will explain to the Member opposite how that will be done when he moves his censure motion. Not now because I do not want to discourage him from proceeding with it. I do not get many enjoyable moments in the hectic life I lead and I am not going to let him deprive me of that little pleasure. The Member also wanted to know how we calculated the GDP figures. Well, the answer is we use this publication which is the source and methods used by the United Kingdom for producing their national accounts. This is the 1992 edition which means that it is based on the 1984 edition and in subsequent revisions that have been introduced in the light of experience in the UK. This in turn draws from two other publications, one by the United Nations in 1968 and the other by the European Community Statistical Office in 1980. The UN one is the system of national accounts. The EEC one is the European system of integrated economic accounts. All of these publications are in fact readily available from the HMSO, Mr Speaker, and in the light of the deficit we have in this year's accounts I am sure the Member opposite will not expect me to provide him with free copies. It makes exciting bedtime reading for somebody who has a brain like mine, but I do not know if it will appeal to him. The system, let me say, has not been changed in the time that we have been in office although, as I explained - I think, before the Member was here in the House we had a visit from Harry Fell, a number of years ago. He was the man involved in the actual setting up of the Statistical Office in Gibraltar. He was the man who initiated the census of population in Gibraltar. He was the man who was, in fact, in the United Nations in 1968 drawing up its national accounts. He is now retired but he has had a very long connection with Gibraltar and when he came to advise us on the 1991 census, we asked him to look at the way we were compiling the information because the statistics we produce for GDP are not 100% accurate. Let us be clear. They never are anywhere in the world. But the degree of accuracy is estimated by a grading being given by the people in the Statistical Office. So if they think it is, give or take a 5% margin of error, it gets an 'A' and if it is 75% accurate it gets a 'B' and so on. Obviously, as I explained at the beginning, the money that we spend and the money that the MOD spend we give an 'A' too because we know that that is true. When we are relying on estimates produced from a variety of sources then

we are not sure of the degree of accuracy and therefore our economy is moving from a public to a market private orientated economy and that reduces the accuracy of the statistics. I have to point out that it reduces it on the basis that they are likely to be underestimating the economy. That is to say, if there is an unrecorded black economy, then the more the size of the private sector is the more likely that is to exist. In a situation where everybody works for the state, you do not have a private sector, you do not have a black economy. Therefore although we think that the percentage of reliability has been reduced, it has been reduced, not by exaggerating the level of economic activity, but if anything by understating it. Therefore, we have looked at ways of improving on that. As my colleague mentioned, the recording of information from the Employment and Training Unit now gives us a fourth input. For example, if we take employment levels which are a good measure of economic activity, we have had employment surveys which Members have got and I am quoting today. We have had social insurance records and we have had PAYE records and the three never matched. Therefore, the Statistical Office used to produce national income accounts based, if you like, on averaging the three sources, assuming that the truth was somewhere in between the three. That is how it has always been done. It has never been done any different. We are hoping that the fourth element, which is the recording of everybody in employment irrespective of whether they need a work permit or they do not need a work permit or they need a contract or they do not need a contract, will give us more accurate figures. This was particularly important to do because from January this year Spanish and Portuguese workers do not need work permits and therefore we suddenly had a huge drop in the recorded contracts of employment and work permits when they were freed from that requirement under Community law. Since we could not say that we are going to require exclusively Portuguese and Spanish workers to be recorded, because that would have been challengeable under Community law, we effectively had to put the machinery in place which requires all of us to be recorded. When we see that working through the system, we may then be able to produce, we hope, more accurate statistics or at least that should support the accuracy of what we have got. If we find that the Employment Survey shows that there are 14,700 people in employment in 1991 and if we find that in fact there are something like 14,600 or 14,800 recorded through the Employment and Training Unit, then that in fact will corroborate that that figure was quite an accurate one. So, we hope that the GDP figures will be of increasing reliability, but all I can tell the Member opposite is that the methodology is exactly the same as it is everywhere else. However, we are using the 1992 edition which is the most up-to-date one and on top of that we have used the services and the advice of the man who

is one of the top authorities on the subject because he was here recently in connection with the census that was carried out last year. The collection of data, hopefully, will either confirm the accuracy of what we have got or produce more accurate results. Obviously, it is important for us, as well as for Members opposite because we are using this as a measurement of our performance and the target that we set is on the assumption that the 14,000 jobs require that kind of increase in GDP. That is to say, the economy of Gibraltar has to be able to be producing that kind of level and we believe that if the GDP does not reach the 450, then employment will fall below 14,000 jobs because you need to have an output per worker to maintain the level of input we require to consume all the things that we want to consume. There is no escaping. There is no way of squaring the circle. Either we do it or we will live less well off. Mr Speaker, I want to move now from the question of the economy and its performance to some of the other matters that have been raised by Members opposite. The Government, in bringing these Estimates, has produced a picture essentially for the next twelve months. The last speaker on the Opposition was saying that in my opening remarks I seem to be saying that we did not know how we were going to finance the Improvement and Development Fund in 1993/94. That is true. We do not even know at what level it will be. We present the Estimates for twelve months. But, in fact, what we do in this budget, which is what we did in 1988, is not to present the budget for more than one year but to give an order of magnitude of what we think needs to be done over the four year term of office. What I can say to Members opposite is that we do not expect the Improvement and Development Fund to be increasing. In 1988 I came to the House and I said, "We are going to be voting this year £8m in the Improvement and Development Fund and it is our intention, having increased from four to eight to double every year, and we think that maybe £50m is a maximum that we can spend in twelve months. But we think that there is such a backlog of work that needs to be done, in roads, in schools, in houses, that we are going to have to be doubling every year. Well, we have now peaked the £60m we have spent in the last twelve months, we will not see again for a very long time to come. We are going down from £60m to £40m over the next twelve months and the Improvement and Development Fund will be getting progressively smaller. We will go back to a level which is really a replacement fund rather than major new projects. So that is effectively what is going to happen and if you take the whole of the eight years, it means that what was happening in 1988 - which was really that the Government of Gibraltar was spending very little money other than in maintaining the stock of capital - is what we will go back to when we have completed the creation of a new stock of capital. That is the reason. The reason is that in a place the size of Gibraltar you obviously cannot continue reclamation ad infinitum, houses ad infinitum and so

on. Therefore, we see the next four years moving in that direction. I said it is not a matter of choice in the sense that it is not that we prefer that because, in fact, there is a price to be paid for that and the price is that maintaining employment and maintaining economic activity is more difficult. This is what we were saying in the election that their strategy was wrong. Borrowing more and spending more we believe is a good thing. But there is a limit to how long you can do it for and we have reached that limit now. It does mean that the level of public debt - which grew very rapidly in the last six months but unusually so because it was only concentrated in the six month period - is not going to be the norm. We are, of course, looking at the measures that we need to take to attract new businesses to Gibraltar. I am glad that the contribution from the Member opposite has been a helpful one, given that initially when we announced it we were condemned for it and he has been telling us that calling high net worth individuals, high net worth individuals, may be defeating the object of the exercise because we are giving away the secret of the game. He may be right and we have taken careful note of what he has told us and we will certainly see whether we need to change it, but I am glad that he is telling us that what we need to do is to change the label and not scrap the system. Before they seemed to be saying that we should scrap the system and I do not think that that is in anybody's interest and obviously if we can get...

HON P R CARUANA:

If the Honourable Chief Minister will give way to me yet again. I think in fairness to myself, I ought to point out that what I condemned originally was that the system should have been introduced by regulations. We have not yet expressed our views on the substance of the regulations, although we shall in a motion in the next meeting of the House. What we condemned was the fact that they were introduced by regulations.

HON CHIEF MINISTER:

Mr Speaker, they condemned the fact that it has been done by regulations. But, of course, they did not say anything about it in the election campaign and the intention to do it by regulations had already been made public before the election. When you go to an election, if you think that what the party that is in Government has said it is going to do if it gets back into office, you say in your manifesto, "If I get elected I will not do it." We announced we were going to do it in December, before we went to an election in January. They went to an election and they never mentioned it at all. Then when we publish it, because the Chronicle picked it up and carried it in its front page; the next day the Members of the Opposition reacted. I think we are facing two sets of opposition and I think the Chronicle is sometimes more effective than they are.

HON P R CARUANA:

Mr Speaker, presumably because they print it, they get their copy of the Gazette before I do, otherwise my reaction may have been before them as well.

HON CHIEF MINISTER:

But, Mr Speaker, the intention was known.

HON P R CARUANA:

And my manifesto criticised the Government for the excessive use of regulations. It was not as if my manifesto in the election was silent on the subject.

HON CHIEF MINISTER:

Mr Speaker, they criticised the excessive use of regulations admittedly but then by definition they must accept that their criticism fell on totally deaf ears given the response they got from the people of Gibraltar. But that is not the only thing they criticised of course. They seem to have forgotten that. They also said how discriminatory it was. What about the local poor high net worth individual. They seem to have got away with paying little tax as far as I can tell for a very long time. They seem to have forgotten that there were questions in this House from Members opposite saying, "Are we going to give the same incentives to local businessmen?" And we said, "Look the incentives have nothing to do with nationality". We have been asked, "Are you going to give development aid to the existing hotels?" And we said, "No the existing hotels got them when they built their hotels". That is when they got them. All of them got them when they build their hotels. Now what is the purpose of those questions, Mr Speaker? This is not a question being put by a lawyer on behalf of his customers. This is a question being put by a politician who presumably is trying to influence public opinion. Therefore, the political point he must be making is that we are in love with foreigners and therefore we produce all these rules and regulations in order to let everybody come here and not pay taxes and we hate ourselves so much that we impose taxes on ourselves rather than on the foreigners because we pay the same taxes on our pay. What I have explained before is that it would be extremely foolish of the Government to actually anticipate the yield of a new measure and reduce the revenue it is already getting in the hope that there will be enough coming in. In fact we have had very little response from the new systems that we have done. So that justifies the cautiousness with which we have approached this. We have done what experts have advised us to do on the basis that they claim that if we did it, from their knowledge of competing centres, we would be in a very competitive position to attract new individuals to Gibraltar. I wish we were in the happy

position of Jersey. Jersey only allows three millionaires a year to go there and they are required to have a minimum income of £1m on which they pay £200,000 tax and they have a waiting list. Now if I had a waiting list then I would be saying to people you have to have £1m to come to Gibraltar. I cannot say it to Community nationals for a start which they can because, under Community law we cannot put any conditions, but obviously Jersey that, in this year's budget, have £47m surplus, has that kind of surplus because they attract very wealthy people and because they attract very wealthy people they are able to reduce taxes on the local people. But what no Government can do is say, "I am going to reduce the taxes first and then sit back and hope the wealthy people come, and if they do not come, then I will have to go back and raise the taxes again that I reduced." So it is not a wise move to take for granted that the business is going to arrive and I have to say, regrettably, that the business has been very slow in arriving and, therefore, I am grateful to the Member opposite for saying that perhaps the way that we have presented it is not attractive enough. We will take into account his views and happily, since it is done by regulation, we will be able to do it very quickly. Mr Speaker, other Members, in dealing with some of the specifics, will be able to get replies, I think, when we come to the items in question. Certainly things like the question of the legal aid fees, which have been mentioned, frankly, we will look at the arguments that have been put but obviously if we are paying one quarter of what the lawyers get in UK under the legal aid, then the £8,000 must be worth £32,000 by UK standards. If we simply increase the fees and get £8,000 we will only be able to help a quarter of the victims although of course the lawyers will be better off as a result. I am happy to learn that we are only paying a quarter of what they are paying the UK because that means that the £8,000 is covering the needs of many more people than a similar sum would do in the UK. All that I can tell the House is that, as I mentioned at the beginning, and the Member said he accepted and was aware of, the figure there is not a figure that requires to be voted and that therefore cannot be exceeded. It is a demand-driven amount. Whether we are depriving people of the right to pursue their grievances in law because of limited incomes, is something that we certainly have to be conscious of. If it is suggested that this is happening we will take a look at it. The other point that I want to deal with before I wind up is this question of the amount of money being spent in tourism advertising, which is now in fact shown in the Head - 'Secretariat'. The Member says that the AACR was spending £1m on advertising.

HON M A FEETHAM:

£600,00 which today would be £1m.

HON CHIEF MINISTER:

According to the Estimates of 1987/88 approved by the House the tourism budget for advertising was £155,000.

They also had additionally international marketing in the main office in Gibraltar, which was not simply advertising as we found out afterwards when we got in. When we came into office in 1988 we found that out of the so called marketing and advertising budget something like one third actually went into advertisements and two thirds was the cost of promotions and trips, tour operators in the UK and trade fairs and all the rest of it. In fact, there will not be an advertising budget as such and there will not be advertising agents engaged by the Government to carry out an advertising campaign. The results that the Member has been referring to over the last eighteen months in tourism happened with an advertising budget, with advertising agents and with the system that was there already, which we have now got serious reservations over the effectiveness. I can tell you that we have spent a lot of effort in analysing the correlation and there were established procedures, like there are still in many areas of the Government. We have not yet cleaned out the stables entirely. There were established procedures and until something gets into the limelight you do not even know that it is happening, Mr Speaker. The Member opposite said "What happened with this brochure in London that the GIB stopped sending out?" He knows what happened. I have explained it. What happened is that some decision at some remote time in the past had been taken that only Gibraltar only brochures could go out and somebody said, "Is this a Gibraltar only brochure?". The conclusion was "Not it is not". Well then the rule book says you do not do it. They were told this in January this year. They did not have to wait three months, they certainly did not bring it to my attention. When it was brought to my attention and somebody showed me the brochure, I thought well this is crazy as far as I am concerned this is a Gibraltar brochure. So whoever took that decision will reverse it and treat this as a Gibraltar brochure and the rule has not got changed, it is just that we have said to people, "Look, use your commonsense in applying the rule", which sometimes it is difficult in a system which is part of the problem of bureaucratic state run enterprises. It is a difficult thing to change the methodology. It is not something that I am happy to admit. I wish it was possible to do it differently. The reality of it is that we have had to learn, in office since being elected in 1988, that there is a penalty that is paid in output, in efficiency and consequently in the standard of living of all of us by bureaucratic red tape. Bureaucratic red tape makes us all poor. There is no escaping it because the people who are engaged in the red tape are not engaged in productive work. They are not adding to the GDP and we have seen the commitment, the release of energy, the initiative that have been brought about when you can actually persuade people to overcome their fear of change, their fear of new things. They then go into something with enthusiasm

and dedication. We still expect them to be well paid. We still expect them to have security of employment. But at the end of the day the methodology, the freedom that comes with giving them more leeway produces more wealth. This is a reality. As Socialists we will have to carry out some fundamental revisions of some ideas that we had before. That is the honest truth. Therefore, in this area I can tell the House that we discovered that in the past there had been advertisements in national papers in the UK costing several thousand pounds and all that it had produced was half a dozen enquiries and we do not even know if any of those people who enquired actually came to Gibraltar for a holiday. It would have been cheaper to pay them to come and we would have had more people in our hotels than spend the money on the adverts. As a result of that because we tend to have, if you like, a radical approach to these things, we say "Look the fact that something has been done the same way since the time of Queen Victoria does not mean we have to keep on doing it for ever." Anything that anybody comes up with whether it is a Member of the Opposition or a member of the public or an expert - sometimes the experts do not always get it right - which we think makes commonsense we are happy to say "Yes, you are right and we were going about it the wrong way and we will do it the way you suggest." I commend to Members opposite that we should indeed conduct for the benefit of the people of Gibraltar, the affairs of this House on that basis and then at the end of the four years we will fight each other in an election campaign. Alternatively, if the Members choose, we can have an election campaign lasting four years for either system. But I think it is better for the people of Gibraltar that constructive criticism should be the order of the day. I commend the Bill to the House.

Mr Speaker then put the question and on a vote being taken the following Hon Members vote 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 P J Brooke
 The Hon P S Dean

The following Hon Members abstained:

The Hon Lt-Col E M Britto
 The Hon P R Caruana
 The Hon H Corby
 The Hon P Cumming
 The Hon L H Francis
 The Hon M Ramagge
 The Hon F Vasquez

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.

MR SPEAKER:

We will now recess until tomorrow morning at 10.30 am.

The House recessed at 7.05 pm.

THURSDAY 28 MAY 1992

The House resumed at 10.45 am.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause, firstly the Supplementary Appropriation (1991/92) Bill, 1992 and secondly the Appropriation (1992/93) Bill, 1992.

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

THE SUPPLEMENTARY APPROPRIATION (1991/92) BILL, 1992

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

Schedule

Part 1 - Consolidated Fund

Head 17 was agreed to.

Part 2 - Improvement and Development Fund

Head 104 was agreed to.

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

Clause 3 was agreed to and stood part of the Bill.

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

THE SUPPLEMENTARY APPROPRIATION (1992/93) BILL, 1992

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

Schedule - Consolidated Fund

Head 1 - Audit

Personal Emoluments

HON LT-COL E M BRITTO:

Mr Chairman, I raised this point yesterday. It is immaterial whether I bring it up under 'Personal Emoluments' or 'Other Charges' but the combined effect of the estimate is £173,100.. I drew the comparison with actual expenditure for 1991 which was £177,000 and I invited comments from the Chief Minister on the value of using private accountancy firms.

HON CHIEF MINISTER:

The primary objective of contracting out the work of the Audit was not to produce a reduction in the cost of the auditing function although of course that is welcomed. The primary function was that we were not happy with the results that we were getting on the basis of the details - not on what appears on the audited accounts that come to the House because that is not changed whoever does it-which are clearly more than, internally for the Government, appears in those accounts and the level of detailed information that was available to us did not seem to us to be the kind of information we wanted to be able to improve from one year to the other the value for money that we were getting in the different departmental expenditures. We thought that bringing in commercial accountants who would look at their auditing functions from the experience of auditing businesses and who would be able to give us information that we were not getting because one of the shortcomings of the Government system, as we see it, is that the people who work in the Audit are people who have sometime or another worked in some department or other and in their career in the Civil Service at one stage passed through the Audit or finished in the Audit. That makes them very good at identifying everything in terms of auditing it from the point of view, not of economic efficiency, of complying with regulations. So there is a tendency for somebody to say "Well, right you have spent £1m on an air conditioning unit. Where is the minute approving it?" Nobody says "Well, wait a minute why are we spending £1m on an air conditioning unit?" because the approach tends to be, it is wrong if there is no minute and it is right if there is a minute. Therefore the work of the auditing was very thorough work but it was work that simply questioned why there was an overspending of £5 in a Head of Expenditure of £1m when the House had authorised £1m and not £1m and £5. Nobody was saying, from the point of view of use of money like a businessman would, "Is it a sensible

thing to be spending money in this way?" So this is the primary reason for wanting to move in that direction. In fact, the initiative came from the people in the Audit themselves. There were a number of people who wanted out and therefore it was a good opportunity to move in that direction. Therefore we were able to re-deploy the members employed in that department to do other government work in other departments and supplement their work with private sector auditing firms. We went out to contract by inviting all the local firms to submit prices. We did not pick the cheapest because we thought it would be better since this was an innovative thing to spread the work. We gave work to almost all the big accounting firms in Gibraltar, even though some were more expensive than others, so that we would try them out for a few years and judge the quality rather than the cost. We retained within the direct employment of the Government things like auditing the Income Tax Department because we thought it would be risky for a private firm to be auditing the Income Tax Department because by auditing the Income Tax Department they would discover what other private firms were paying in tax which we thought was wrong. Not that they would be auditing the taxpayers files, but by auditing the Department, they would be having access to the taxpayers files. So we retained areas of the Treasury and the Income Tax and things that are commercially sensitive. Therefore, effectively if you look at that, the six people, including the Principal Auditor, are actually auditing what we consider to be commercially sensitive areas. Everything else whether it is the Police or the Fire Brigade and all those things which are really service functions are being audited by different commercial firms and that is covered by the £90,000 we are putting in this year's Estimates. The reason why the outturn was less was because we had put in a figure at the beginning of the year of £100,000 not knowing how much it was going to cost us until we sorted out the bits and decided who was going to do what. In fact, we have spent £75,000. We are happy with some people and less happy with others. Some of the ones that we are happy with are more expensive than the ones that we are not happy with and therefore we expect that it will cost a bit more this year than last year. But the bottom line figure is quite encouraging because the total cost for the next twelve months is going to be £4,000 less than it was two years ago. If we had been able to keep the running of all Government departments to below the 1991 figure we would be congratulating ourselves. This is the exception rather than the rule so the cost has been quite well contained.

HON P R CARUANA:

Mr Chairman, what the Chief Minister has said basically boils down to this. That the private auditor through his commercial experience is able to be more informative to the Government than is the civil servant type of

auditor. Will he nevertheless, for the peace of mind of Members on this side of the House, confirm that that is not to say that the private auditor is not also performing the function of the civil servant type auditor of making sure that the minute does exist and the authority does exist?

HON CHIEF MINISTER:

That is being done anyway and that is in fact what will be reflected in the Principal Auditor's report. The report that the Members have for 1991 continues to show the same format, the same comments, the same information that has always been shown. So the audit report of the public accounts of Gibraltar will not be altered in any way. The internal function and the recommendations that come to the Government contain additional information, which did not exist before, which is advice on management rather than simply saying that this has been properly documented and that there are receipts for all. That takes place anyway but if that was all that was needed, I do not think we would require as much money as we are providing. We are getting, in our judgement, better value for money because it is helping us to formulate policies more intelligently. We have been given advice by auditors which was not the norm before because it was not then the role. The private auditor has incorporated the role of checking that there are receipts, that everything is properly documented and that the proper authority exists. For example, we have just voted a Supplementary Appropriation Bill which technically is incorrect. Why? Because we are required by the Public Finance (Control and Audit) Ordinance to bring the supplementary appropriation to the House before the 31 March and we have overran the date. I can tell the House that when we got elected in 1988 we had to bring to the House legislation to approve expenditure in 1985/86 which had not been approved and which was discovered three years later by the auditor and there was nothing we could do. The money had gone. So we came here and made it legal. We were concerned to stop that happening. I think that we can congratulate ourselves that this year we have only had one instance. We have made sure that we have brought it at the first possible opportunity to the House and really it is an instance, as the Leader of the Opposition recognised earlier, where it is a paper exercise because the £200,000 we have just voted we have paid to ourselves. It is rates on public buildings and it is just because we have got more public buildings now than we anticipated at the beginning of the year. Things like the Sergeant's Mess are now Government property and therefore instead of the MOD paying rates, we do. So the answer is that if during the course of the audit we have missed out approving in the House expenditure in any of the Heads of Expenditure, that will still be picked up by the contracted auditor and that will still be reflected in the Auditor's Report.

HON P R CARUANA:

Mr Chairman, I would be glad, in relation to the Supplementary Appropriation Bill, to say to the Honourable the Chief Minister what he said to the AACR on the occasion to which he has referred which was perhaps, "Since you spent the money we shall abstain and let you vote in favour." If you recall, that is what he said. But he resisted that temptation then and I have resisted that temptation now.

HON CHIEF MINISTER:

Well that is something that the Member is doing about the entire expenditure so I do not think that it would be a novelty in his case.

HON LT-COL E M BRITTO:

I would like to make an additional point on what we have been discussing. First of all I am glad to hear what the Chief Minister has said on the Income Tax Department and on the keeping of the private accountancy firms because I remember making precisely that point last year. I know that it is not strictly correct to refer to a Head going forward but the principle is the same. I did point out that the Accountant General's Department has reduced its estimate for contracted accountancy services. I assume this is for the same reason, as the Chief Minister has already said, as last year when they budgetted for more than they found that they really needed.

HON CHIEF MINISTER:

Well I think we can deal with that when we come to that Head.

HON LT-COL E M BRITTO:

I am saying that the principle is the same but the question I really want to ask is that the Chief Minister is telling us that we are getting value for money in our audit. Can I ask the Chief Minister whether he is talking about value for money in political terms and does the Principal Auditor agree with him that in accountancy terms we are also getting value for money?

HON CHIEF MINISTER:

I cannot answer for the Principal Auditor. The Principal Auditor like all of us is a human being and he may well feel that he is better equipped to do the auditing than anybody else in Gibraltar. That is a matter to which he is entitled to. Since the Honourable Member seems to have this fibre optic that goes throughout the Civil Service, he may be well acting on inside information on which I am not yet aware because he gets the information before I do.

HON LT-COL E M BRITTO:

Not on this occasion.

HON CHIEF MINISTER:

The position as far as we are concerned is that in our role, as we see it, of controlling the use of public funds, we need information to enable us to take decisions. As far as we are concerned the traditional way in which this was done was what we used to rely on before. We feel that we are able to do a better job because we are getting the same information that we were getting before plus additional information that we were not getting before, which is, as I said, a reflection of what would be normal. If the Honourable Member has an auditor looking at his business, he would expect that the auditor would tell him, not just whether he is in the red or in the black, but also perhaps where he has gone wrong and why he is in the red and maybe point out that too much money seems to have been spent on electricity or whatever. The traditional auditing function is still there and will continue. But of course there are people within the civil service who feel that in fact more emphasis should be placed on that than on getting value for money. Our own reaction, frankly, tends to be that the important thing is the results that we are producing for the people of Gibraltar for the money that we are spending in their name. Therefore we want efficient structures at work and if you have sometimes a very cumbersome structure it may cost you a pound to save a penny so we take a political position on that. The machinery that we now have, we are convinced, enables us to give people in Gibraltar better return on the money that all of us are contributing as taxpayers. That is our judgement.

HON P R CARUANA:

Mr Chairman, I think that the point that my colleague was trying to make was this. The function of the Principal Auditor, in fact, ultimately is political and not to be measured in terms of value for money because the only function that the Principal Auditor serves in constitutional, legal terms is to make sure that the public finances are being spent according to law and no other purpose. If the Chief Minister wishes to get some additional value for Government statistical purposes, well that is all very well but it is not for that reason that we can suffer any reduction in the quality of the cover in relation to the principle purposes of auditing public accounts which is that the public finances should be looked over by persons other than those who spend it.

HON CHIEF MINISTER:

Yes. That creates no problems because I have already

pointed out in a number of occasions to the Member opposite that in fact we want to make sure that, consistently, we are behaving as the law provides and we have no problem with that because we have got a majority in the House and if the law does not provide we make the law provide. So the moment the Auditor or the Honourable Member or anybody else tells us "Look what you are doing is in conflict with the law", it does not mean we have to stop doing it. It just means that we have to change the law, which is not a very difficult thing to do.

Head 1 - Audit was agreed to.

Head 2 - Education and Sport

(1) Education - Personal Emoluments was agreed to.

Other Charges

HON L H FRANCIS:

Mr Chairman, looking down at Item 3 - 'Electricity and Water', could I ask the Honourable Member opposite if he could explain the wide variation between the Approved Estimate 1991/92 of £85,000 and the Forecast Outturn of 1991/92 and again the variation in relation to 1992/93?

HON J L MOSS:

Mr Chairman, almost certainly due to the fact that the fuel cost adjustment was higher this year than expected and that fuel is going down so therefore even though we do expect consumption to be along similar lines, we should have a lower charge for electricity.

HON L H FRANCIS:

The variation is quite high in spite of any fuel cost adjustment. It is a variation of almost £50,000, maybe a little bit less.

HON J L MOSS:

£41,000

HON L H FRANCIS:

£41,000 is quite a variation. It is 48% variation I am being told on this side of the House. Is it solely due to fuel cost adjustment?

HON J L MOSS:

No. I did not say it was solely due to fuel cost adjustment but I would imagine that the bulk of it is due to that.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

One further contemplation, Mr Chairman. There was a problem during the year of water leakage because of damage to the mains on the premises and those leakages have been stopped. The circumstances are being investigated with a view to stopping future occurrences.

HON J L MOSS:

I was obviously aware of that, Mr Chairman, but there have been leakages in other years as well. Perhaps not as bad as the one we had this year which is why I did not think it was worthy of mentioning.

HON L H FRANCIS:

Mr Chairman, moving on to Item 8, 'College of Further Education', can the Honourable Minister say where the savings are to be made in relation to that sort of expenditure?

HON J L MOSS:

As I indicated yesterday - I cannot remember whether it was in my own contribution or during the Honourable Mr Francis's contribution - there is actually a substantial amount of assistance coming this way nowadays from the Training and Employment Board as a result of the fact that many of the courses that the College is now operating are run as courses for the Employment and Training Board. This means that there is less need for the College, for example, to spend money on computer hardware and on other materials associated with the courses that I am talking about.

HON L H FRANCIS:

Mr Chairman, moving on to Item 9, there is also a big decrease in the Forecast Outturn on cleaning and industrial services of £11,900, can the Minister say how these savings are being achieved?

HON J L MOSS:

I would not say that they are major savings, Mr Chairman. £11,000 on a budget of over £.75m, we are talking about 1%. I do not think that that is a significant variation.

HON L H FRANCIS:

But at a time when costs are rising from inflation, Mr Chairman, it is a significant saving, which perhaps could be put to good use in other areas of the education budget. I think it is a point worth making and worthwhile asking particularly in the light of the concern and the certain action being taken in the education service at the moment.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Just one point of clarification that I would like to make, Mr Chairman, is that there has been a switch of staff. Previously some school technicians were treated as industrial staff and therefore included in this subhead. They are now treated as permanently established and if the Honourable Member looks at the establishment page he will see the number of school technicians has gone up from three to eight, purely due to this change in treatment.

HON L H FRANCIS:

Mr Chairman, moving on to Item 18 - 'Intensive Language Courses', can the Minister give an explanation why there is such a fluctuating level? Has there been problems with the courses?

HON J L MOSS:

Yes, Mr Chairman. Basically, the projections that were made last year were over ambitious. The College of Further Education was not able to attract as many students as it was hoping to. I am not sure whether the marketing or the promotion disposes of part of the reason but certainly we did become aware during the course of last summer that the competition in the Campo Area had considerably increased and that in fact some of this competition was coming from Gibraltarian teachers who were choosing to teach in the Campo rather than in Gibraltar.

HON L H FRANCIS:

I take then that some provision has been made to counter such competition since there is an increased estimate again this year, you are having to attract more students.

HON J L MOSS:

There will not be any public execution of the teachers concerned but we are hoping to better the quality of our promotion in Spain and some contacts have already been established to that effect.

HON L H FRANCIS:

I hope that there will not be any private executions. Lastly, can the Minister please tell me where the provision is being made for the access funds to be put in place. Is it being made under this Head?

HON J L MOSS:

No. Mr Chairman. In fact you will not find provisions in these Estimates but if you look at Subhead 6, which

is 'Scholarships' that will include all spending for scholarships. There may be a point during the year when we would have to seek some supplementary funding for the access funds but obviously the money is provided from this particular subhead and it is highly possible that there will be savings in other areas of the scholarship fund which could mean that we will not need to seek the supplementary. I am talking, for example, of the poll tax subsidy etc etc. There are indications that that may be phased out during the year.

HON LT-COL E M BRITTO:

Mr Chairman, I asked the Minister yesterday whether he would indicate whether students who can show that they have suffered hardship in the two year period; whatever it is, between the removal of the UK access funds and the introduction of the Gibraltar access funds, would be looked at with sympathy by the Department.

HON J L MOSS:

Mr Chairman, we tend to look with sympathy at cases where the student is suffering hardship there and then. I do not think the Department should get into historical analysis of whether somebody suffered hardship two years ago or for that matter twelve years ago.

HON LT-COL E M BRITTO:

For the record, Mr Chairman, I disagree with the Minister. The whole reason why the Government is introducing access funds is obviously because students have been able to show that they have been suffering hardship. I mean to say that what has happened in the past two years does not matter now, to my mind is being a bit harsh. I think that at least in individual cases, some consideration should be given.

HON J L MOSS:

Mr Chairman, I am afraid that even though the Honourable Member is fully entitled to disagree with my way of thinking, the purpose of the Department of Education's maintenance grant to students is to further their studies. It should not be considered as some kind of wage which if it is ever or when it is increased becomes retrospective or anything like that. The reason why we have introduced the access funds is not because the students have proved to us that they are suffering from hardship. It is because we have looked at the way that things have happened. We have tried to get our students to apply to the access funds in UK. When we have found out that that was impossible we decided to create our own separate access fund to help students but not because students have been dropping out in the last two years for reasons of hardship. If they have not been dropping out for reasons of hardship, then one would assume that tightening the belt for better or worse, they have survived. I do not think that it is correct to go back into history and see how individual students have tackled

the affairs in the last two or three years or in the last twenty as I have said before.

HON P R CARUANA:

Although there is an increase in the provision for in-service education since the actual expenditure for 1991, is the Honourable Minister for Education satisfied that given the need to prepared the teaching profession for the National Curriculum, that he has available to him as much resources as he needs for that job?

HON J L MOSS:

Yes.

Other Charges was agreed to.

(2) Sport - Personal Emoluments was agreed to.

Other Charges

HON LT-COL EM BRITTO:

An observation for the Minister, Mr Chairman. The last item under 'Other Charges' which is not numbered, ie 'Insurance Premia', I noticed that there was an estimated expenditure for last year which was not mentioned and there is no provision for this year. Can I ask the Minister first of all the reason why and secondly whether that implies that there is no insurance coverage for persons using Victoria Stadium and other Government sporting facilities?

HON MISS M I MONTEGRIFFO:

No, Mr Chairman. The insurance that was put down for the stadium, I think, is going to be taken over now by another Government Department.

HON P R CARUANA:

Is the Minister able to say whether the extent of the insurance enjoyed by the Victoria Stadium is comprehensive in the sense that it covers the Government for, for example, claims should there be injuries of the sort that unfortunately do happen from time to time in sport stadiums around the world and is the Government satisfied that it is adequately insured in relation to Victoria Stadium which is perhaps the area where there is most accumulation of public in any Government building in Gibraltar?

HON MISS M I MONTEGRIFFO:

Yes, Mr Chairman. The sort of insurance that we are looking for the Stadium is one which is the same in other sporting facilities.

Head 2 - Education and Sport was agreed to.

Head 3 - Electricity Undertaking

Personal Emoluments was agreed to.

Other Charges

HON P R CARUANA:

Mr Chairman, is the Honourable the Minister for Government Services able to say what the estimated cost of purchase of electricity will be for the current year?

HON J C PEREZ:

Mr Chairman, that is something which the Honourable Member has already indicated he will raise at the time of his motion in his contribution tomorrow and he shall get a reply at the time that he raises it.

Head 3 - Electricity Undertaking was agreed to.

Head 4 - Environmental Health was agreed to.

Head 5 - Fire Service was agreed to.

Head 6 - Governor's Office was agreed to.

Head 7 - House of Assembly

Personal Emoluments

HON P R CARUANA:

Mr Chairman, in my address on the Second Reading of the Bill, I invited the Chief Minister to explain to me how he felt that this House would be able to carry out its work with a reduction in emoluments. I anticipated the possibility that the reason in the fall on the forecast outturn to this year's estimates might be due to the fact that he is not expecting a general election this year, but, in any case, Mr Chairman, will the Chief Minister make the resources available to enable at least Hansard to be produced more quickly and for the volume of laws to be kept up to date. I do not think that it would require an awful lot of resources, perhaps making an audio typist or two available to the department on a supply basis after each sitting so that the Hansard can be produced as a specific project rather than in the ordinary course of the Department's work?

HON CHIEF MINISTER:

Mr Chairman, I did not answer the Member in the general principles of the Bill because I thought this was the appropriate time to give him the answer and to give me the time to get somebody to check out the details. In

fact, he is comparing the outturn for this year with the estimate for the next year. He will see that one of the differences is the amount in minor works which was a token vote in Subhead 11 of £100. There is again a token vote of £100 this year. We have actually spent £53,900 and we shall be spending a substantial amount in the forthcoming year which will be reallocated from the block vote in the Head on Reallocations. On Personal Emoluments, which is the other difference in expenditure, we had Mr Collado here to help in the compilation of the register and the election and therefore the money for him at HEO level appeared during the course of the year because it was a temporary secondment. It was not provided for initially. If one looks at the approved estimates, the Member will see that it was £41,000 and therefore we are making under the 'Personal Emoluments' the same provision for staffing now as we were making in last year's budget and if during the course of the year there is unprovided reason for having to move in additional staff, like now, then the persons concerned will still get paid at the end of the month, even though there is no provision here because we will be able to make the adjustment when the final outturn comes. The money for the civil servant in question, if it is not appearing in this particular head, it is appearing in another head. So it is not additional funds required in the total budget, it is simply that if the person is allocated to do work here, the cost disappears from somewhere else. I have to say that from my twenty years of experience in this House, I can tell the Member opposite that the service that we are getting now is very good compared to the delays that we experienced in the past. But of course we believe in getting the information out as quickly as possible and it is a matter of judgement as to how much resources we devote to it. We will look at the points that the Honourable Member has made but I have to tell him that judging it by the kind of standards that Members of the House have achieved in terms of the service they have had, the service compares favourably. We will nevertheless certainly take a look at his preoccupations. I think that the question of the laws that he has mentioned, I think, he was already raised during Question Time. We will see how quickly we can move into updating these laws against the background that the Attorney General said at the time that he was already looking at a computer based system which would be able to update laws by having them on a loose leaf form and when an amendment is to be done you get your computer memory and you delete and add something else and you do a hard copy, instead of having to go round pasting things. I can assure the Member opposite that my office is not more particularly well pasted anymore than these books are because it is quite a tedious job and you need a certain amount of expertise to make sure that you are pasting the thing in the right place otherwise you may finish with the thing all pasted up with amendments, but all in the wrong places. I have taken note of his concern about the service he is getting in this House. All I can tell him is that having experienced the service of the House

for twenty years, the service that he is getting is a good one but if we can see ways of improving it we will.

HON F VASQUEZ:

Mr Chairman, I am not very clear about one aspect of the Chief Minister's reply and that is this. My colleague's question was directed at the production of Hansard more promptly and the question of money being spent on the updating of the laws in the House of Assembly and the Chief Minister referred my colleague to Item 11 under Other Charges which is a provision for minor works and repairs. Is the Chief Minister saying that money for minor works and repairs could be expended on these sort of items?

HON CHIEF MINISTER:

No. No. What I am saying is that the main difference between the outturn for this year of the total cost of the House of Assembly from £474,000 to £395,000; if we look at the special expenditure, was the production of the Register of Electors and the holding of the general election and if we look at the minor works and at the service of one Assistant HEO. All of these were related to expenditure which is provided after the beginning of the financial year. If you remove those items, then the vote is not down, it is up. That is what I am saying.

Head 7 - House of Assembly was agreed to.

Head 8 - Housing

Personal Emoluments was agreed to.

Other Charges

HON P R CARUANA:

Mr Chairman, will the Honourable Minister for Housing explain. I know that there is further provision under the Improvement and Development Fund, but we will come to that when we come to that - why the continuing fall in expenditure on housing maintenance? I know obviously that there are

MR CHAIRMAN:

Could you call the number and then everyone is immediately tuned in.

HON P R CARUANA:

No.6. Obviously there are projects that started which are finished, but does it suggest that the Government is coming towards the end of its refurbishment programme?

HON J L BALDACHINO:

Mr Chairman, maybe I can explain it. In the past everything used to go under that Head, in other words, 'Housing Maintenance'. As we are now doing bigger

refurbishment projects therefore that is reduced because it is covered under the '101 Improvement and Development Fund' which also covers the wages of the personnel working in those projects. That covers smaller jobs and day to day maintenance of housing units. The other goes into bigger projects. It will also refurbish and carry out the repairs. Some of them will be covered under that Head, so that Head is reduced and the other one increased. That is the reason why. It is not that we are reducing housing maintenance. As a matter of fact it is that we are doing bigger refurbishment jobs. So that one is reduced and the other one is increased.

HON P R CARUANA:

So what I think the Honourable Minister is saying is that there is no reduction in the money that his department is spending on housing maintenance of the ongoing type of the sort that people write letters to the Chronicle complaining that they had difficulty in getting done.

HON J L BALDACHINO:

That is correct, Mr Chairman. If I may add, the letters in the press that he is referring to will be covered once the building is refurbished. It has to do with drainage which will have to be covered when the building is refurbished and painted. That is the programme that we are carrying out in Laguna and if the Honourable Member cares to walk in that area - I do not know if he does - he will see that we have already done four blocks. Unfortunately we cannot do them all at once and it is an ongoing programme.

Head 8 - Housing was agreed to.

Head 9 - Justice and Law Department

(1) Supreme Court

Personal Emoluments was agreed to.

Other Charges

HON F VASQUEZ:

Mr Chairman, as you will see, this year in Item 9 the Forecast Outturn is £13,100 and I have no doubt the Honourable Member on the other side will be able to confirm this. I suspect that this is an item referring to the refurbishment of the Magistrates' Court that was carried out this year. I would ask this question. Will the Honourable Member opposite either confirm or give me some reassurance that Government will consider the suggestion that I made yesterday in my submission? That is that the Magistrates Court could be turned over to the use of the Supreme Court to provide a second court for the second Supreme Court judge. Are there are any plans at all to consider that alteration?

HON CHIEF MINISTER:

Mr Chairman, if the Member is looking at the minor works of £13,100, the answer is that that is the Supreme Court. The minor works on the Magistrates' Court is on the following page Subhead 9 - £24,300.

HON F VASQUEZ:

I apologise, Mr Chairman. The question nevertheless stands. Will the Honourable Member on the other side consider the suggestion that was made yesterday that the Supreme Court be allocated an additional court room to give the second Supreme Court judge a court room of his own to increase his productivity basically?

HON CHIEF MINISTER:

I have one fairly simple yardstick by which I measure productivity and that is whether it costs me money or it saves me money. If the Honourable Member can show me how I can save money I will be very happy to look at it.

HON P R CARUANA:

Mr Chairman, my sense of humour has not yet failed me to the point where I cannot detect an element of tongue in cheek in there. I do not suppose the Chief Minister is saying that he requires value for money from the administration of justice as well. I mean, you will understand that that is not an acceptable answer but I take it in the sense that humour was intended.

HON CHIEF MINISTER:

I do not know how else I can judge the productivity of the judges. Is it by how many people they get locked up? Is it how many they convict or is it how much it costs? Since the Member asked me to look at it by reference to productivity, I suppose that is the incentive he was offering me, that he would increase the productivity. I can only imagine that it is because it becomes more cost effective. We are certainly not providing any additional funds beyond what we have got here and we have had no representations along the lines that he suggested but we will take a look at it.

HON P R CARUANA:

Mr Chairman, the most cost effective thing that the Honourable Member can do in relation to the administration of justice, of course, is to abolish the administration of justice altogether. That is certainly the most cost effective thing that you can do. What the question was clearly intended to comment on was this. If you have two judges, because you have workload for two judges, but you only have one room, you lose part of the benefit of having two judges because if you only have one court

room and two judges cannot conduct two different courts in the same court room, unless you give them each their own court room, you are only getting very limited use out of the second judge and that has nothing to do with value for money. I think it is a very legitimate point made from experience on this side.

HON CHIEF MINISTER:

Well, we will have to see then if the second judge is not fully employed whether we keep the second judge and I would certainly take seriously the Honourable Member's suggestion about doing away with the administration of justice altogether as a most logical solution to the problem.

HON F VASQUEZ:

The point that I tried to make yesterday in my submission is that, in fact, by providing a further court room it increases the productivity in terms of the amount of work that the second judge was doing. Although in terms of direct benefits, none can be perceived, in terms of indirect benefit and the amount of work the local jurisdiction can do in international as well as local terms, there is actually an increase in productivity in the Bar generally and commensurately in terms of the multiplier effect, I think it is bringing money into Gibraltar. There is a further contribution of the Judiciary into the local economy.

HON CHIEF MINISTER:

I think, what we are looking at - which may help the situation - is in fact whether there is a need for everything that now goes to the Magistrates' Court and the Supreme Court to go there and clog up the system. One of the things that we have been asking the Law Draftsman and the Attorney-General to look at for us is the creation of a small claims court so as to remove some of the things and therefore allow the Supreme Court and the Magistrates' Court to concentrate on the things they need to concentrate on and the things that do not require that level of expertise or whatever, could be dealt with more expeditiously and also perhaps less expensively for the litigants. So that may help.

HON F VASQUEZ:

I do not want to labour the point, Mr Chairman, because I do not want to be accused of getting on a hobby-horse or pushing a vested interest. But the fact is that the clogging up of the Court's work is not in terms of minor claims. In fact, the court room is taken up one day a month by these types of small claims in the Court of First Instance. What is clogging up the court room are most substantial commercial litigation, claims and

landlord and tenant claims etc, which are really of a nature which cannot be dealt with by a small claims court and which really are crying out for a separate court room to enable the second judge to do a full time job dealing with this backlog.

HON CHIEF MINISTER:

We will look at the problems that have been highlighted by the Member opposite but we will not look at it exclusively on the basis of saying we need to provide a certain court but perhaps what we need to do is to get somebody to give me a detailed account of the nature of the workload that they have and the difficulties that they have and we will see how we can address it.

Other Charges was agreed to.

(2) The Magistrates' and Coroner's Court was agreed to.

(3) Law Officers

Personal Emoluments

HON P R CARUANA:

Mr Chairman, could the Honourable Member opposite explain the reduction in the estimated salaries vote at the Law Officers? Is it explained by the fact that there is now one fewer member of that department and does that signify reduction in the staff or some reorganisation in the department?

HON CHIEF MINISTER:

Yes. If the Member looks on page 43, he will find that the Law Draftsman is no longer shown under his Head. It is shown under the Secretariat Head.

HON P R CARUANA:

Yes I see it is not under this Head of Expenditure at all.

Personal Emoluments was agreed to.

Other Charges

HON F VASQUEZ::

One question, Mr Chairman, I can see that under Other Charges Item 5 - 'Legal Action Expenses' and further down Special Expenditure - 'External Legal Advice' We seem to have two items of expenditure there referring to legal action and legal advice, can the Honourable Member opposite explain to me whether both those refer to the European Court case or there has been a separate legal action?

HON CHIEF MINISTER:

No. Special expenditure which is subhead 80 is in fact the European Court case predominantly. That is to say, there are also instances of fees we have paid to the same firms of legal advisers in Brussels on other aspects of Community Law besides the Court case but it is all to do with the EEC either the case or other Directives. This is why we are treating it as special expenditure. The other is a normal legal action where we have contracted lawyers in Gibraltar for particular cases or whatever rather than using the resources of the Department because we felt the Department was already fully loaded.

HON F VASQUEZ:

Does the Chief Minister have any indication - I am not in any way questioning the wisdom of the expenditure - what the long term cost of the European Court case is going to be? I see £89,000 last year and provision for £100,000 this year. Any idea over what period of time that expenditure is expected to be incurred?

HON CHIEF MINISTER:

No. Regrettably that is one item of expenditure over which I have no control. The answer is that we have taken a policy decision that this is so important to us that effectively we have to meet the bill whatever the bill is.

Head 9 - Justice and Law was agreed to.

Head 10 - Labour and Social Security

Personal Emoluments was agreed to.

Other Charges

HON H CORBY:

Mr Chairman, Subhead 11. Can the Minister explain where the increase in child care is going to be spent?

HON R MOR:

No, Mr Chairman, it is just a normal estimated increase in expenditure which is expected during the year. It is just an estimate. It is very difficult to gauge how many children we are going to have at any particular time and how much money is going to be spent on that.

HON H CORBY:

'Training Courses' - No.14. There is a very substantial increase on that.

HON R MOR:

The explanation is, Mr Chairman, that we had some people lined up for training in the United Kingdom and the arrangement that existed was that the UK Government used to pay for the training. That stopped, we are required to foot the bill and this is the reason why 'Training Courses' has been increased.

HON F VASQUEZ:

Item 15 - 'Losses of Public Funds'. I see that there is a forecast outturn of £3,400. Could the Minister explain whether that is a burglary at the premises of the DLSS or is it an internal problem that has arisen?

HON R MOR:

It is a subhead which is very difficult to control. Normally it is just payments made in excess. It is internal losses.

HON F VASQUEZ:

Is there any suggestion that there is dishonesty on the part of any employee at the DLSS and are there any internal procedures to deal with this sort of matter?

HON R MOR:

No, Mr Chairman. When there is any reason to suspect that, the Police are called in and they investigate. I have no knowledge that that is happening.

HON CHIEF MINISTER:

Sometimes even if the person who has been overpaid is known, they usually are people who are not particularly well off and who may have started employment and they got paid for a couple of days. Strictly speaking it is better to write it off than to chase them and try and get the money back.

Head 10 - Labour and Social Security was agreed to.

Head 11 - Personnel

Personal Emoluments was agreed to.

Other Charges

HON LT-COL E M BRITTO:

Mr Chairman, if it is established Government policy not to recruit, why do we need an Item 7 for 'Recruitment Expenses'?

HON J C PEREZ:

Mr Chairman, because unfortunately the post of Attorney-General has not been able to be done away with yet and we are recruiting Attorney-Generals and other officers from outside Gibraltar.

Head 11 - Personnel was agreed to.

Head 12 - Police

Personal Emoluments was agreed to.

Other Charges

HON P R CARUANA:

Mr Chairman, although we welcome the increased vote on the Police; in order that the resources generally be increased, there is one very small item there which I raised; it is No.20 'Immigration/Repatriation', not because the sum of money involved is significant but because it shows a rising trend over the years. Can the Honourable Members opposite explain in what circumstances these repatriations occur?

HON CHIEF MINISTER:

This is really a situation where somebody is illegally in Gibraltar and we cannot chase up the bondholder that is supposed to repatriate the person or the person does not have a bondholder and does not have the money. At the end of the day, it is better to repatriate them than to keep them here indefinitely illegally and to have to feed them and look after them because we cannot let people starve. Most of the cases are either people who appear somehow from across the frontier and we cannot send them back because they will not take them back or people who have landed here from a ship. They constitute the two biggest elements.

HON P CUMMING:

Mr Chairman, No. 16. May I ask why the money for the ambulance service has gone down?

HON CHIEF MINISTER:

This of course does not include the cost of manning the ambulance. Clearly that is covered by Personal Emoluments. These are the amounts that the Police say they require in order to run the ambulance mechanically and in terms of fuel. There has been no reduction imposed by the Council of Ministers, it is the amount that they have asked for.

HON J C PEREZ:

Could it well be, Mr Chairman, that because there is a new ambulance coming, they do not expect to spend so much in maintenance in the coming year.

HON F VASQUEZ:

Mr Chairman, under Item 5, 'Electricity and Water', we have a similar sort of variation as to the one raised by my colleague Mr Francis earlier. We have an approved estimate of £10,000 and a forecast outturn of £17,500, so it is a 75% increase. Has there been a water leak at the Police Station as well?

HON CHIEF MINISTER:

It certainly does not mean that we are submitting people to electrical shocks or anything like that.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, if you look at the actual expenditure of 1990/91, it was clear that 1991/92 estimate was grossly underprovided for.

HON F VASQUEZ:

One other matter, Mr Chairman, 'Subsistence of Prisoners' - No.6. There was an approved estimate of £2,100, again it seems to be extremely conservative. Is there any reason why that should have been underestimated by 100%? Has there been an increase in the number of prisoners?

HON J C PEREZ:

That is basically the people that are detained in the Police Station not at the Prison and ever since a particular establishment near the Police Station closed there has been a change of contract as to the provision of food for the prisoners held in the cells. The President of the Chamber of Commerce may have something to do with it.

HON F VASQUEZ:

My final question, Mr Chairman, under this heading. No.18 - 'Contributions at Interpol'. I see there was an estimate voted last year of £7,000 that has not been paid this year. Is there any reason why we are again estimated to spend that contribution and why was it not paid this year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is simply one of phasing, Mr Chairman. If you look at the payment that was made in 1991, it was only £3,500 and it was estimated that we would probably have to pay two payments in 1991/92 which means that the bill was not rendered to us. We still anticipate that we will have to make two of these payments next year.

HON F VASQUEZ:

That is a supposition, Mr Chairman. It might not be an accurate one. The point is will the Honourable Member opposite undertake to find out and let me know so that we are aware of the situation?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Very happy to do that, Mr Chairman.

Head 12 - Police was agreed to.

Head 13 - Post Office - Savings Bank and Philatelic Bureau

(1) Post Office and Savings Bank

Personal Emoluments was agreed to.

Other Charges

HON P R CARUANA:

Mr Chairman, I think this is the best example of the point that is now being raised two or three times in relation to the consumption of electricity and water in Government departments. I think the point is best illustrated by Item 12, Mr Chairman. Not by looking at the estimated figure but by looking at the actual consumption of the Post Office for 1990/91 which is £5,000. In 1991/92 they consumed £12,200 (forecast outturn) and now you estimate something for the current year in the more usual order of £6,000. That suggests, does it not, that there was an extraordinary consumption of electricity and water during 1991/92? It is a pattern that repeats itself more than once in relation to many of these Heads and therefore it cannot be that there has been a leak. One does not want to become fastidious about this but there cannot be leaks in all the departments and I therefore ask the question outright. When Government has contracts for refurbishment of particular Government departments, is it, for example, that they take on board the increased consumption of electricity and water resulting from the contraction works? There must be an explanation.

HON J C PEREZ:

Mr Chairman, regrettably for the Honourable Member the explanation is the same one. In the whole of the area of the Post Office Parcel Post in Landport Ditch there was a very big leak. A lot of water was being lost there and that is the result why this year there has been an increase in the water consumption. As a result of moving to Lyonnaise, the company; more commercially minded, is putting a lot of effort to stop the leaks which it might not have taken the case before when the water ran on the bill of the public at large. But certainly there has been a greater effort on the part of the company since commercialisation to stop water leaks and they have been successful at it, let me say.

HON P R CARUANA:

Mr Chairman, that being so, can I make two points? The first is that, given Government's concern to save public monies, they deploy some of their surplus labour force on improving the state of plumbing in Government buildings generally, since it is now the third building to have had a leak. Secondly on the question of losses of water, if there are losses of water, are they probably attributable to the department consuming the supply or is it something which ought to be attributable to the public utility?

HON J C PEREZ:

It very much depends where the leak takes place; whether the leak is beyond the meter or before the meter. In these circumstances it has not been beyond the meter, it has been before the meter. If not the loss in other circumstances would have appeared under the Public Works Department and now would be incurred by Lyonnaise des Eaux. But certainly there has been an effort to stop leakages. In fact, I said as a result of the move even before the move took place, it was something that was being addressed and it is something that is now being looked at in connection with the GSL area. The amount of water that is being used there is astronomical in relation to the operation that there is today and you compare the operation today and the operation that was there before and the amounts of water being consumed are the same. So we told the companies in the area concerned that there must be massive leaks and the company is now looking at the possibility of fixing.

HON P CUMMING:

Mr Chairman, leaks before the meter are obviously underground and masses of water may be lost before they are discovered but "beyond the meter." Surely the Post Office has not lost £6,000 worth of water which is visible.

HON J C PEREZ:

It depends where the meter is. The area concerned is the Landport Ditch area and it is very, very possible that one meter supplies the whole area and that the whole of the water consumption in the area is charged to the Post Office because they are all Government departments.

HON L H FRANCIS:

Mr Chairman, a small question on Item 9 - 'Contribution to the International Bureau'. Could the Minister comment on the wide variation from £14,000 to £24,000 actual expenditure whereas previously it was only £116?

HON J C PEREZ:

Again it is the same thing. It is a two year payment because the year before that we had not made a payment for the International Bureau.

Other Charges was agreed to.

(2) Philatelic Bureau was agreed to.

Head 13 - Post Office - Savings Bank and Philatelic Bureau was agreed to.

Head 14 - Prison was agreed to.

Head 15 - Support Services

Personal Emoluments was agreed to.

Other Charges

HON LT-COL E M BRITTO:

Mr Chairman, I made the general point yesterday on the principles of the Bill about the increase in the cost of collection and disposal of rubbish which I point out.....

MR CHAIRMAN:

What item are you referring to? You have to refer to an item otherwise it becomes irrelevant. I cannot allow you. You cannot go back to the principle. You must look at an item and tell me the number of the item.

HON LT-COL E M BRITTO:

Mr Chairman, Item No.10. The cost of collecting rubbish has gone up by 85% and on Item No.15, Mr Chairman, the cost of disposal of refuse has gone up by 98% I would appreciate some comment from the Minister in connection specifically with the fact that both the collection and the disposal system have been privatised during this period and whether there is any connection with this increase?

HON J C PEREZ:

Mr Chairman, in 'Collection of Refuse' there has been an increase in personnel as a result of the new areas in the reclamation. That is to say, that there will not be a need to increase personnel further as a result of the new areas coming into stream for refuse collection. Also when they were previously in Government, the pensions of those people and the administrative costs and the social insurance of the workers in the area were not shown as an expense here. Therefore they are shown as an expense here because it is a contract with the company and all issues arising out of the employment of those people are shown as a cost here rather than separately as was the case in Government departments. As far as Item 15 is concerned, this is the first payment as a result of our obligations under the contract with Baltica. Again the real running cost in the £897,000 forecast outturn or indeed in the £627,000, was not shown previously, in that again the pensions and the

administrative costs of those people were not shown in that vote and that again forms part of the cost that the company itself is incurring in employing people directly. Other than that we had issues such as major repairs every two or three years from the Improvement and Development Fund of about £250,000 to £300,000 which do not appear anymore because that is a contractual obligation of the company. So, in fact, the first two or three years of the contract, would probably cost us less net than it was costing us up to now if we took everything into account. As the years progress that balance might be shifted and it would probably start costing us more in the future but one has to understand there is a capital cost in the figure being paid to the company because we are not providing the incinerator ourselves. The incinerator is scheduled to have a twenty year life.

HON P R CARUANA:

Mr Chairman, will the Honourable Minister explain the formula for the payments by Government to the company for the disposal of refuse?

HON J C PEREZ:

Mr Chairman, I can let the Honourable Member have the information if he wants to. It is a rather complicated algebra question which I am sure he will enjoy looking at as night time reading; as the Honourable the Chief Minister likes to call it. It has been gone into some depth and it is related to the charges of water and electricity from the plant as well. It is all connected. There is no secrecy surrounding that. You should welcome that I am giving you the information.

HON P R CARUANA:

You have not given me the information yet. You offered to give it to me.

Head 15 - Support Services was agreed to.

Head 16 - Secretariat

Personal Emoluments

HON P R CARUANA:

Mr Chairman, now that we know that the Law Draftsman is in the Secretariat, presumably, the Law Draftsman no longer appears under the Head of the Attorney-General's Chambers. Will the Honourable the Chief Minister say that the Law Draftsman is under the Head Secretariat, and if so, what is the reason for that?

HON CHIEF MINISTER:

The reason is that we chose to put it there, like the reason for everybody else that is moved from every other Head to every other Head and it is shown under 'Other Officers - Senior' where the Member will see that there

is a senior officer that was not there before and a personal secretary that was not there before. We felt that it would be better to have it in the Secretariat building since obviously the policy decisions on the laws are taken politically not technically by the Attorney-General or anybody else. We decide what are the policies that we want translated into law. We find that it is more practical to have law drafting done directly with us. Of course, 75% of the work involves giving effect to Community law where there is a very big political input from me directly linked to my discussions with Mr Garel Jones who is responsible for Gibraltar before the European Community.

HON P R CARUANA:

Mr Chairman, does that formally signify that law drafting no longer falls officially under the ambit of the Attorney-General's listed responsibilities?

HON CHIEF MINISTER:

As far as I am concerned, law drafting or anything else falls under the ambit of the Government of Gibraltar who employs the Law Draftsman as much as the Government of Gibraltar employs the Attorney-General. We can have one Civil Servant under one Head and another Civil Servant under the other Head and it does not alter who is in charge. We know who is in charge!

HON F VASQUEZ:

We now know that there is a senior officer appearing under the Secretariat. It is in fact the Law Draftsman who has been transferred. Could the Honourable Member opposite say what the salary of that senior officer is and how it compares to the salary previously enjoyed by that individual?

HON CHIEF MINISTER:

If the Member looks at the back he will find what the salary is. The Estimates shows the salary of senior officers. The same as every other senior officer. The same as it was before. It is the same as every other senior officer and in the same place. I know he was not here but everything else is in the same place.

HON F VASQUEZ:

Mr Chairman, under Scale 11 at page 101, we have 'Senior Officer' and there is a range there from £23,000 to £33,000 so that does not really answer my question. I would like to know what salary is being paid to this particular senior officer.

HON CHIEF MINISTER:

Everybody is in the salary scale in the Government and the Honourable Member is not entitled to ask in which

point each person is in that scale. I am sorry, why? Why this person as opposed to the other 2,500 civil servants?

Personal Emoluments was agreed to.

Other Charges

HON P CUMMING:

Mr Chairman, under Item 8, how come we are paying so much more money for information and getting so much less?

HON CHIEF MINISTER:

Yes, I think he has got a good point there! We need to provide even less.

HON P CARUANA:

Or more information!

HON CHIEF MINISTER:

Yes, but given that we are all agreed that we are going through hard times, it is more logical to cut the money than give the information.

HON LT-COL E M BRITTO:

A little bit of information. Can I just ask under Item 6, what is meant by 'Communication Expenses'?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It is simply a combination of postage and a substantial volume of telex, hire of telex and telex materials.

HON F VASQUEZ:

Mr Chairman, under Item 15, 'Tourist and Other Promotions' - obviously it was a matter that was dealt with yesterday in my address - I ask the Honourable Member opposite if he can specify how much of those £400,000 is allocated on an advertising campaign? Can he say what advertising company has been retained to carry out that advertising campaign?

HON CHIEF MINISTER:

You already have the answer. The answer is none. I gave him the answer already. We are looking at the advertising campaign and the use of advertising agents which have existed in the past; the result of whose performance the Honourable Member is very critical of. There was before an advertising agent in the United Kingdom and there was a newspaper advertising campaign and we have seen the results in the level of tourists arriving in Gibraltar in the last two years. Therefore,

in our judgement the money can be better spent in other ways and we will see whether the ways that we do it produce more tourists than the ways that we have done it in the past, which is really what is important - the results.

HON P R CARAUANA:

Will the Honourable Member then go on to say what those other ways are and does he mean the Gibraltar Information Bureau?

HON CHIEF MINISTER:

No. It means in fact that the Gibraltar Information Bureau, in close consultation with the industries committee that has been created last year, will be looking at incentives, promotions and things like that on the basis of clearly monitoring the cost and the return in terms of actually translating that into people coming for holidays in Gibraltar. Before there was a standard procedure which like in many other areas, as I have explained already to the House - we have not yet caught up with everything. We keep on catching up with new things every year where we suddenly ask, "Why are we doing it this way?" and the answer is, "Well, because it has always been done this way." Then you say "Well, right, has anybody sat down and actually found out what it is costing us to do this? If we are putting an advert in the Sunday papers, has anybody actually found out if anybody reads the adverts and if anybody comes as a result of the advert or are we just putting money down the drain?" We are doing the exercise this year in this area simply because we have reached this point now. It is not going to be the last place and it is not the first. We have been doing the same kind of exercise of questioning the way we do things in many, many other areas since 1988. Now partly in our concern for the decline that we have had in the last couple of years; which is a worldwide decline but that does not mean that because it is a worldwide decline we cannot say, "Well, that is the explanation" and we do nothing about it. Even if there is a worldwide decline we have to discover whether the way that we have been going about in the past encouraging people to take holidays in Gibraltar, is the most effective way to do it and by listening to the people who stand to gain by bringing tourists. Obviously there should be no conflict of interests. That does not mean that somebody cannot come along tomorrow and say we should spend £1m in advertising or in TV advertising in the UK. I mean, for example, we have had the view put to us by some people in the tourist industry in Gibraltar that Cyprus has done very well and that Cyprus has spent £.5m in TV advertising. This is quite true, Cyprus has got .75 million people. That means that per Cypriot they have paid 60p. If we spend 60p per Gibraltarian in bringing tourists we will not even get a one second exposure on television.

Television is an expensive medium and we are a small economy. There is a limit to the amount of money that we can spend and therefore what we are trying to do is make sure that the way we spend it produces the best possible results for the Gibraltar economy and for the people in the industry because there is no conflict of interest. What we want to do is to look after public money and be efficient in the way we spend it and the results we produce and therefore we have to re-examine the way we have been doing it in the past because we are not happy with the results.

HON F VASQUEZ:

Mr Chairman, what we are trying to gauge in this House is the sort of decisions that have been taken on the other side. Will the Honourable Member opposite please explain how much - because he has criticised the adequacy of the advertising carried out so far which has not yielded the required results - has been spent in the last year on advertising - not promotion - on advertising and who the advertising company carrying this out was.

HON CHIEF MINISTER:

Yes. Last year, Mr Chairman, the Government did not provide any funds. The money was spent by the Tourism Agency and the Honourable Member has already been given the information at Question Time by the Minister for Tourism on how much was spent on advertising. The firm was Weston Tomkins who were the advertising agents of the Government of Gibraltar and continued to be the advertising agents of the Gibraltar Tourism Agency when the Tourism Agency took the responsibility over from the Government. We have put the responsibility back on the Government now and we do not intend to do it in the same way that it was being done in the past.

HON F VASQUEZ:

We still do not know how much was allocated by the Gibraltar Tourism Agency. I appreciate it was not the Government - it was one of the Government Agencies - but how much was allocated by the Gibraltar Tourism Agency on advertising and until we know that amount it is impossible for us to gauge whether the correct decision was taken and whether it is pertinent for the Honourable Member opposite to say that it was not an efficient campaign. Can we please know how much was spent on the advertising campaign?

HON CHIEF MINISTER:

The Honourable Member has got three options either he votes against on the amount we want to spend in the next twelve months in promoting tourism and other features of the Gibraltar economy or he abstains or he votes in favour. Whatever the Tourism Agency was spending last year in advertising is irrelevant because we are not

going to do the same thing. It has nothing to do with it. I do not know how much they spent and I have not asked them and I am not interested and if I am not interested I do not see why I should get information for him.

HON P R CARUANA:

So the reply is not going to be given. I am grateful, Mr Chairman.

HON CHIEF MINISTER:

That is correct, yes.

HON P CUMMING:

Mr Chairman, it seems fair to assume that advertising encourages tourism, but to take the opposite view and say how ever much we advertise it does not help tourism, will have to be backed up by some research and I would ask whether any research has been done?

HON CHIEF MINISTER:

The research that has been done which I have already referred to, is that we actually started running checks in the last six months of the enquiries we were receiving in the London Office immediately after we put advertisements in the national press in the United Kingdom and monitoring the cost of adverts in the national papers with the numbers of callers we had. We then produced a breakdown from those numbers of callers as to how many of the callers called to say "Are there any jobs in Gibraltar?" and how many of them said, "Is tax very high if I retire there?" and how many said, "I would like to come for a holiday." The result was that in some cases we were spending £10,000 or £15,000 in an advert and actually getting half a dozen enquiries about a holiday and we do not even know if any of those six came. So I came to the conclusion that it would be cheaper to pay six people to come and get six tourists than to spend £15,000 and get six telephone calls, which is what appeared to have been happening. Having seen that - and this is with all the experts from the advertising agents and all the rest telling us what to do everytime we put an advert - the cost of the advert was increased 100% by the fee charged by the advertising agency for designing the advert, it seemed to me that we were not getting to the customer from a commonsense, practical point of view. Therefore, we said to the people in the industry, "Look we are going to put a pool of money, we are going to put it under the control of the Government, we are going to monitor it very closely and we are going to make sure that if we spend £1, it is getting to where we want it to get and we will be monitoring the results." I would have thought that what the Members opposite would want to know is, if they are going to be voting in favour of this - I do not know

because they have abstained on the lot of them. They will not even be voting in favour, in which case really it is neither here nor there - they would want to know what would be the success of this strategy in the future, not what went wrong with the ones in the past. I am convinced that the ones that were adopting in the past had a lot of shortcomings although it is the traditional way that it was always done.

HON F VASQUEZ:

Mr Chairman, we do not consider that it is nearly enough. The point that I am trying to find out exactly is what has been spent in advertising in the past. It is all very well for the Chief Minister to stand up in this House and say that we have had only got six enquiries, but until we know the nature of the advertising and how much was spent we cannot judge. For all we know it was an entry in the personal columns of the Evening Standard and it is hardly surprising how they got these six enquiries. We have to be able to try and judge what has been spent and gauge whether it is satisfactory and it is our view that not nearly enough has been spent or is going to be spent on advertising Gibraltar as a tourist destination.

HON CHIEF MINISTER:

The answer is that under the particular Item before the House, zero was spent. If he looks at the forecast outturn and at the approved estimate in Subhead 15, which is what we are talking about in this Committee. Item 15! Now he can also use Item 15 to ask questions about anything else he wants and the answer is those questions are irrelevant and will not be answered. The decision on the money we are asking the House to vote this year on tourist promotion is not conditioned in any way by what was being done in the past. Therefore the Member can either vote in favour, against or abstain, but he is not going to get any information which is irrelevant, because we consider it to be relevant and it has not been formulated as part of our strategy in this year. But I have already told him - so it is not that he does not know that - that it does not involve an advertising campaign and it does not involve advertising agents. He has already been told that.

HON P R CARUANA:

Mr Chairman, of course I do not accept the premise, not that I can do anything about it. I do not accept the premise in what the Chief Minister has just said, that we should only be interested in information that he considers to be relevant. In fact, the less relevant he considers it to be, the more interested I might be in having it.

MR CHAIRMAN:

On a point of order, the Chief Minister is absolutely right. Under this Item, we are looking at the figure of expenditure of £400,000 and I allowed the Honourable Gentleman because it is linked up with tourism which before, I do not think he could comment in the way he has done it now. But I think we have had the point discussed and ventilated as much, I think, as is possible and therefore I close now discussion with that Item and we must go now on to the next one.

HON P R CARUANA:

Mr Chairman, if you so rule, you know that I have no alternative but to bow to your ruling. But I think frankly I am the Leader of the Opposition in this House and I have not yet asked the question

MR CHAIRMAN:

As long as As long as

HON P R CARUANA:

..... and I wish to ask a question on this Item, but if you rule that I

MR CHAIRMAN:

Order. Order. When I speak you shut up! I refer now to the rule that I have just passed, which is that you can refer to the £400,000 of expenditure. On that I will allow you.

HON P R CARUANA:

I am grateful to you, Mr Chairman. It is on that that I was going to ask my question. The fact of the matter is that my colleague and the Honourable the Chief Minister says have been discussing Item 15 and the £400,000 on the assumption, which is not more than that, that the £400,000 has been spent on tourism, and the Honourable the Chief Minister says that anything else other than tourism is irrelevant to Head 15 and it is not, because Head 15 is 'Tourist and Other Promotions! So how much is being spent on tourism, how much is being spent on other promotions and what are those other promotions?

HON CHIEF MINISTER:

Yes, the breakdown of the figure, which I have not been asked by anybody else to provide before and I have said throughout it is of tourism and other promotions, is that we are contributing £150,000 to the Gibraltar International Business Development Board and we are spending directly ourselves £250,000 on tourist promotion. This is in keeping with the policy on which we were elected; which was included in our manifesto and which

is not of course the policy of the Member opposite but the one that matters is ours because that is the one that has got the support of the majority of the people, which was to coordinate the expenditure on promotion because we felt that there was a certain duplication of effort which was not being put together. You may be going somewhere to promote the finance centre but if at the same time you can sell stamps and sell coins and talk about shipping and promote holidays in Gibraltar, then the net additional cost of doing that is less than if you make four trips, one for each subject. So that is one of the areas where we said during the election campaign that we will involve, for example, the people in Rock '92 and the people in the finance centre. We have got limited resources. We have got to put them together and try and make the maximum use of them. That is why the two items are together but the breakdown of the two is £150,000 which would be given to the Business Development Board and £250,000 which will be channelled through the Gibraltar Information Bureau.

HON F VASQUEZ:

I am grateful to the Chief Minister. I would like to move from Item 15 back to Item No.10. I just query the fact that the Approved Estimate for 'Printing and Stationery' was £65,000 last year, Mr Chairman, and the overspend is of some £63,000. It is 100% over the estimate. Could the Honourable Member opposite explain that very substantial expenditure on printing and stationery?

HON CHIEF MINISTER:

Yes, this is in fact the order for the European Community passports which we paid in this financial year and it is intended to last us for five or six years. We have ordered a large enough stock because it was cheaper to order a big amount than a small amount. That is the only reason why it is there. We could have shown it as extraordinary expenditure but since we had sufficient money available for viring from another subhead, we put it in there.

HON F VASQUEZ:

I assume, Mr Chairman, that the cost of these passports is passed on to the ultimate consumer in the fees that one receives for this, is that right?

HON CHIEF MINISTER:

The fees are in fact determined by the UK and we will follow the UK cost to the customer.

Head 16 - Secretariat was agreed to.

Head 17 - Trade and Industry

(1) Development

Personal Emoluments was agreed to.

Other Charges

HON P R CARUANA:

Mr Chairman, it has become the Government's practice since last year's Estimates to include rates under this Head and presumably there is a corresponding figure under the revenue side under 'Internal Revenue - Rates'. I am referring to Item 3, Mr Chairman. I ask myself the extent to which this item constitutes either revenue or expenditure. In other words why are we voting to authorise the Honourable Minister for Trade and Industry to pay about £2.1m to the Honourable the Financial and Development Secretary when that is not an expenditure of the Government of Gibraltar. It is neither an expenditure nor a receipt. It is nothing more than a paper entry. The effect that it has is that it boosts the budget by that amount, completely artificially and it involves neither a revenue nor an expenditure.

HON CHIEF MINISTER:

Yes, I agree entirely. This is one of the items we have not got yet round to eliminating but we are working on it.

HON P R CARUANA:

You have introduced it yourselves have you not?

HON CHIEF MINISTER:

No. No. It was always there.

HON P R CARUANA:

Under this Head?

HON CHIEF MINISTER:

No. It was previously called Crown Lands. I am glad we are beginning to convert him to the right philosophy.

HON P R CARUANA:

Item 5, Mr Chairman. Could the Honourable Member opposite explain the Item - 'Unoccupied Crown Lands'? Is this referring to the land bank by any chance?

HON M A FEETHAM:

No. There are spaces that form part of the Government's overall property stock and land stock that needs to be cleaned out. There are derelict areas and we always put a nominal sum there for the removal of eyesores on these particular areas as they are indentified.

Other Charges was agreed to.

Infrastructure Planning and Building Control

Personal Emoluments was agreed to.

Other Charges was agreed to.

Special Expenditure

HON LT-COL E M BRITTO:

Item 80, Mr Chairman. After the traditional hesitancy of the Government to produce a city plan. It was eventually produced. Can we have some indication on what is intended with this new Estimate of Expenditure?

HON M A FEETHAM:

Mr Chairman, as I have already made known to the House, we have got a computerised system where we are updating land data and property data on all the changes that are taking place in Gibraltar on individual properties and overall. This needs to be kept up to date and this expenditure will go towards precisely that.

HON LT-COL E M BRITTO:

So it is not a city plan in the tradition way?

HON M A FEETHAM:

No. It is the existing city plan being updated so that eventually the problems that we have had in the past are not likely to materialise.

HON F VASQUEZ:

Mr Chairman, under Special Expenditure, Item 81, could the Honourable Member opposite explain why the House voted £10,000 last year? It was not spent and we are voting again?

HON M A FEETHAM:

Well, basically we did not spend it and we put it down then in case we need to take particular action on a private property that needs to be demolished and we have to step in to do that ourselves. Emergency works and things like that.

Special Expenditure was agreed to.

(3) Planning and Engineering Control

Personal Emoluments was agreed to.

Other Charges

HON L H FRANCIS:

In Item 2, 'General Office Expenses', there is fall of £17,000. Is this part of the department being shifted round or privatised?

HON CHIEF MINISTER:

The Member will see that in the ones that we have already voted in infrastructure and planning control and so on, 'General Office Expenses' appears for the first time. It was all shown before as a cost of one part of the department and we felt that each function of the department should share part of the general office expenses because they were all making use of it. So we introduced it under each one.

HON F VASQUEZ:

Item 7, under 'Other Charges' - 'Highways'. I remember that in answer to one question; I cannot remember what number it was, the Honourable Juan Carlos Perez referred to a new resurfacing system which was a cold system which we are going to employ in certain busy parts of the highways. I notice that the vote is not going up by very much. Is it the intention of the Government to actually do something about resurfacing our highways and employ this new system that we have got to do something about that?

HON J C PEREZ:

Yes, Mr Chairman, you can see that reflected in the Improvement and Development Vote. What we want to do is test the equipment first and hire a plant from across the border and see whether it works before we actually decide to invest money in buying it. We want to do that pretty quickly to do the area around the sundial.

Other Charges was agreed to.

(4) Port

Personal Emoluments was agreed to.

Other Charges

HON H CORBY:

Can I go to 'Maintenance of launches' - Item No.5? I think that there are only three people here, Mr Speaker, the Chief Minister and myself who have seen the same launches since we were young. Might it not be investing on maintenance of launches and throwing money away on repairs to those launches which are very, very old.

HON CHIEF MINISTER:

This is the maintenance, the upkeep of launches that is carried on by the Department itself. In fact, we did look at replacing the launches a year ago and frankly we could not afford it. The Department asked for it and we had to turn it down because it run into three figures and it was just not on. So instead we contracted out the work of a major refurbishment of the launches because the engines were in a very good shape and it was the hull that needed to be done. We have bought a second hand one from the private sector, which was shown in the Improvement and Development Fund.

HON L H FRANCIS:

Mr Chairman, Item 16 - 'Minor Works and Repairs'. There was a token amount in the Approved Estimates 1991/92 of £100 and a forecast outturn of £16,300. What was this for?

HON J C PEREZ:

Let me explain to the Honourable Members that this is not the first time it appears like that. Every other Head has a token vote and then what is actually used during the year is then reallocated. This is because the system before was one where you did not know what you were voting and when we came into office we changed it so that the forecast outturn is one where you see the expenditure on repairs to the building or doors or wires. It is minor maintenance that should be the £16,000.

HON M A FEETHAM:

There is some expenditure here because the adjoining building from the MOD was handed back to us and we put some of the workshops in the building adjoining the Port Office.

Head 17 - Trade and Industry was agreed to.

Head 18 - Finance and Revenue Collection Services

(1) Financial and Development Secretary's Office

Personal Emoluments was agreed to.

Other Charges

HON P R CARUANA:

Mr Chairman, just so that we can piece together all the various promotional heads from the various places where they appear, on Items 9 and 10, would the Honourable Chief Minister or perhaps the Financial and Development Secretary explain those two items 'Representation

Overseas' and 'Promotions and Conference'? Is it other information offices other than the ones in London for example? Is it all part of the marketing effort or is it a specific aspect of it?

HON CHIEF MINISTER:

The vote for Item 9 - 'Representation Overseas' was the one that we introduced the first time for the first office which was the Washington Office. If the Member looks back he will find that that subhead appears for the first time in the 1988/89 Estimates of Expenditure and we have kept the cost of Washington Office as a cost to the Government because the Washington Office is the only one where the actual person running it is on a contract with us because that is how we started doing it in 1988/89 and that person is registered with the United States Government as a foreign agent because that is the United States law. Therefore, taking it away would have made life difficult for him. Subsequently, we have entered into commercial arrangements with companies where basically they provide us with the facility in their existing organisation at very little cost to us. The 'Promotions and Conferences' is really what pays for our participations in things like the conference on the high net worth individuals which I attended in the UK and that kind of thing.

HON F VASQUEZ:

On a point of clarification, Mr Chairman, is the Chief Minister saying that Item 9 in effect covers all the expense of the GIB offices that have been started or only Washington?

HON CHIEF MINISTER:

No. It covers the expenses primarily of the contract of Perry Stieglitz who is the man we appointed there in 1988 and that is because that is how we did it in 1988 when we first thought of the idea. He had to register as a foreign agent with the United States State Department and given the complications of bureaucracy if we now tried to change his contract and do something different they may lock him up because they may think that he is a Gibraltarian spy in Washington. I would not like that to happen to him after all the good work that he is doing for us. So we have kept the system as it was in his case but we have not done it for anybody else like that.

HON F VASQUEZ:

Yes, but, Mr Chairman, the Chief Minister explained that the other GIB offices had made arrangements which were much cheaper whereby they take representations in an already existing office. My question is, are those albeit cheaper expenses included in this item of expenditure?

HON CHIEF MINISTER:

No. For example, if we have got a promotion that is organised by our office in Geneva, the cost of the promotion comes out of Subhead 10. The office in Geneva may charge to that particular promotion some costs which they have been doing in terms of preparatory work ie of advertising in the local press or bringing around people to encourage them to come and that kind of thing. But the ongoing cost of the office in Geneva called the Gibraltar Swiss Agency, is being met by private investors in Switzerland who have got investments in Gibraltar and who are interested in helping us develop more business because it is good for them. Therefore they are making that contribution.

Other Charges was agreed to.

(2) Accountant General's Department

Personal Emoluments was agreed to.

Other Charges

HON LT-COL E M BRITTO:

Mr Chairman, this brings me to the point that I touched on briefly before-Item No. 17- and really the question is not too important on its own but it was more relevant in connection with what I was saying before that is why I wanted to link it to the previous question. What I am really asking the Chief Minister to confirm is that the reduction is due more to a realisation that the original figure was too high rather than to a change of policy?

HON CHIEF MINISTER:

Yes, the policy is still the same but when we put the £10,000 in last year's Estimates we did not really know whether that would be enough or not. Since we have actually done the things we wanted to do where we have been mainly using accounting firms to look at the accounting procedures or to look at the controls. For example, recently we have been talking to them about doing an exercise for us in looking at our stores organisation. Last year it was a review of the paying system. Since the workload of last year only cost us £6,500 we felt that this year we did not need to put in as much as £10,000.

Other Charges was agreed to.

(3) Income Tax Office was agreed to.

(4) Companies Registry was agreed to.

(5) Customs

Personal Emoluments was agreed to.

Other Charges

HON P R CARUANA:

Only in relation to 'Electricity and Water' - Item No.4, Mr Chairman, to comment that there appears to have been a leak there as well.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

In relation to that particular case, Mr Chairman, I recollect that the Customs had a special bobby down at the border that was exceptional which is now being removed which incurred electricity and water charges. I am quite happy to give the Honourable Member opposite details so that he can check that with me.

HON P R CARUANA:

I am obliged.

HON F VASQUEZ:

Mr Chairman, Item 15, there is a new entry there for the Co-operation Council and I will be interested to know.....

HON CHIEF MINISTER:

This is a European Community body and our Customs put the case to the Government for belonging to it as members and we support the idea first because we believe in demonstrating our commitment to the international coordination of the fight against drugs and secondly because there are not many bodies where we can actually get in without being boycotted or vetoed, so anywhere we can we feel we should.

HON LT-COL E M BRITTO:

Mr Chairman, coming back to Item 4 - 'Electricity and Water' and the general principle of what we have been saying of the losses concerned if one added up the cost of all the various leaks throughout the Estimates, the amount would tend to be considerable and I would ask the Chief Minister whether he agrees that this is an item that would fall very much within the province of a Parliamentary Accounts Committee in one exercise.

HON J C PEREZ:

Mr Chairman, there have been on two or three Heads, explanations given as to why the disparity. On the other ten Heads the situation is normal, I do not see what the Honourable Member is saying about a general situation. On this particular Head it is not leaks. The Honourable

the Financial and Development Secretary has given an explanation already. The argument that the Honourable Member is making is not valid.

HON LT-COL E M BRITTO:

I think that the Minister misses the point, Mr Chairman. I strictly - to keep within the rules - referred this to Item 4 but I am talking in terms of the general principle of the losses to Government. It is very well to say it is due to a leak but as I think my colleague pointed out, in a small area like the Parcel Post Office, to say that \$10,000 of water had leaked and nobody had really noticed to put a stop to it before that amount of wastage was reached which is considerable; is to put it mildly, stretching our powers of acceptance. I was just trying to make the point for the Chief Minister that it is very much calling for further investigation outside the immediate province of this Committee but more in line with the Parliamentary Accounts Committee.

HON M A FEETHAM:

Mr Chairman, on this particular estimate on Customs, let me just make it quite clear. He made a point but the realities are that as far as this particular increase is concerned the bulk of it is because Customs have got more buildings. You will see now that at the frontier they have taken over the building that used to be the DOE building in recent times, for Customs there and also we have had to put, as you know, part of the Consumer Protection Office at Waterport, so basically it is due to the increased number of buildings now under the control of Customs.

HON P R CARUANA:

Mr Chairman, in fairness to the Financial and Development Secretary, I think that the Honourable Minister for Government Services is making excessively scientific use of his answer. I do not hold him to the scientific accuracy of his answer because that is not

Interruption

HON P R CARUANA:

What the Honourable Member is saying is that for him to stand up and say that in the case of this department, it is not a leak on the basis of the rather nebulous answer given by the Financial and Development Secretary stretching his memory further than I would expect him to, is not fair. As to what the Honourable the Minister for Trade and Industry has said, the fact that there are more Customs buildings cannot be the explanation because now for this year's Estimates, we are down again. The complaint is that last year's forecast outturn is extraordinary. Now we are down again for this year and that is the pattern in all the cases.

HON J C PEREZ:

If the Honourable Member would care to listen to what is being said in the House, Mr Chairman, he would have heard that the Financial and Development Secretary has said that there was a building which was being used at the frontier which has now been vacated and that was producing expenditure on water and electricity. He has now the details which have been taken out by our civil servant behind us and he can probably give you more details at this stage.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

A difficulty, Mr Chairman, is that there are a number of contributory factors to this. Part of the problem was that this building at the border because of its sizing had to use fresh water for its services for which we were paying excessive sums quite frankly. Fresh water for its flushing.

HON P R CARUANA:

That used to be illegal.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Honourable Member may well be right. This problem has now been corrected. It is now, in fact, getting a salt water supply. That is one of the reasons why the estimate has gone down in the subsequent year.

HON P R CARUANA:

I am grateful for the answer.

MR CHAIRMAN:

Any other comment?

HON LT-COL E M BRITTO:

Well, Mr Chairman, what is interesting is that I asked the original.....

MR CHAIRMAN:

What you are saying is out of order, actually.

HON LT-COL E M BRITTO:

I have not been answered. What I was going to say was that my original question has not been answered.

MR CHAIRMAN:

That is right. I am telling you that your original question was out of order. You have a motion on that, and therefore, you are anticipating. You want them to give you an answer on something that you are going to discuss. It is anticipation. I allowed it to see what the Government reaction would be. If they had agreed I would not have bothered but it is obvious that they do not want to answer you so therefore we have to apply the rules.

HON CHIEF MINISTER:

Well, of course, Mr Chairman, the point made by the Member will have to be developed by him when he makes his case for a Public Accounts Committee. Presumably the sole reason for the Public Accounts Committee is not just to go round looking for leaking water pipes. If that is all that is required to keep him happy and provided it means that we may be able to save money from having somebody else checking the water leaks, I am quite happy to have him on our unpaid water checker list and he can go round checking for water leaks and then he does not need to proceed with the motion.

MR CHAIRMAN:

Any other questions?

Head 18 - Finance and Revenue Collection Services was agreed to.

Head 19 - Reallocations and Subventions

HON P CUMMING:

Mr Chairman, I should like to ask why no figure has been included for the Health Authority this year and can we have a figure?

HON MISS M I MONTEGRIFFO:

Mr Chairman, I would originally have given an explanation during my contribution in the budget debate but seeing that the Opposition has presented a motion, Mr Chairman, this is a matter that we will be dealing with when it is debated.

HON LT-COL E M BRITTO:

Mr Chairman, on Item 1 - 'Grants in Aid', I have not actually added up the whole of the breakdown in subnote 8, but it adds up obviously more than £23,500 which is the forecast outturn. Do I take it that the explanation

is similar to what we have had before that some grants have not yet been paid but will be paid or is the explanation that some grants that were going to be paid and now included in the analysis below are not going to be paid?

HON CHIEF MINISTER:

The answer is that the grants that are fixed are paid and the ones that are not fixed are covered by a provision to deal with the ones that come up during the year. In the figure that we have provided we have not required to pay out more than £23,500 to meet the requests in this financial year. If it arrives after the 31st March then under the requirements of the Public Finance (Control and Audit) Ordinance, to which we have referred already in the Bill that we have already passed for supplementary funding in the House, we cannot vote money after the 31st March in respect of payments taking place before the 31st March. So it would then count as part of the expenditure for 1992/93.

Head 19 - Reallocation and Subventions was agreed to.

Part 2 - Improvement and Development Fund

Head 101 - Housing

HON P R CARUANA:

Mr Chairman, Heads 2 and 3 'Refurbishment of Government Houses and Painting of Government Houses'. Will the Honourable Minister for Housing say which particular housing estates are targetted within that vote?

HON J L BALDACHINO:

I explained this during the budget speech, Mr Chairman. They are all targetted. In other words it is a continuation programme which we started in 1988. What we did in 1988, which I have explained, was that as not to concentrate on just one estate and therefore we would then get complaints from other estates on why one particular estate. We started in different estates on different blocks. Therefore there have been blocks refurbished and painted in Laguna, Humphreys, Moorish Castle and the new one that is going to be started this year is Varyl Begg Estate. Varyl Begg Estate did not start because there was a development and construction on the surrounding areas and therefore we thought that it would be a waste of money to refurbish and paint at that stage.

HON M RAMAGGE:

On Item 5, will the Minister say whether the balconies remedial works apply only to Macmillan House or to someone else?

HON J L BALDACHINO:

We are looking at other balconies which need to be refurbished. We are looking at balconies which are prefabricated, in other words, to see if the cost would be less than if we were to do the new balconies. So we are at that stage. We are looking at other buildings which require remedial works on the balconies and not just particularly at Macmillan.

HON M RAMAGGE:

So the total estimate of the cost of the project, the £418,000, does not apply only to Macmillan House?

HON J L BALDACHINO:

That is correct, Mr Chairman.

Head 101 - Housing was agreed to.

Head 102 - Schools and Sporting Facilities

HON L H FRANCIS:

Mr Chairman, under the Item for 'Improvement for Sporting Facilities' 1992/93, I am not sure whether the Honourable Minister for Sports explained this during her contribution, but I was just going to ask on what facilities the £25,000 are to be spent?

HON MISS M I MONTEGRIFFO:

Yes, Mr Chairman. My recollection is right, I think I did explain it during my budget speech. It is works that we plan to do to the east stands at the Victoria Stadium.

Head 102 - Schools and Sporting Facilities was agreed to.

Head 103 - Tourist Development was agreed to.

Head 104 - Support Services

HON LT-COL E M BRITTO:

Mr Chairman, I identified Item 5 during the previous stage of the discussion on the Bill and I asked for an indication of what the £150,000 subsidy to GBC in equipment was. What sort of equipment are we talking about?

HON J C PEREZ:

The main equipment there would be a new television transmitter and other ancillary spare parts. That would

be the bulk of it. Part of it is the balance that was still owed to them as part the restructure in terms of equipment that they had to buy for the recorders. Of the £100,000, about £92,000 or £93,000 would be the transmitter.

HON LT-COL E M BRITTO:

Is the Minister satisfied, Mr Chairman, that it is not more GBC equipment that is in need of bringing up to date and in need of replacement at the risk that if it is not done, the working efficiency of GBC is likely to suffer?

HON J C PEREZ:

Mr Chairman, the Minister is not satisfied with the equipment in GBC and with equipment in many other places. This is what we can afford.

HON P R CARUANA:

Mr Chairman, in relation to Item 6 - 'Government Offices' 1992/93, presumably that includes, amongst other things perhaps, privately owned offices rented by Government departments?

HON J C PEREZ:

No. Mr Chairman, that is works of refurbishment to Government buildings. The ultimate aim is to vacate Treasury Building completely which is earmarked for demolition at one stage or another and a scheme to widen the road which is there. I am not saying that that is going to happen immediately but the taking of people out of Treasury Building and reallocating them in the area of Town Range where the Attorney General's Office and the Chief Minister's Office is now situated, continues and there is refurbishment work to those buildings to allow us to do this.

HON P R CARUANA:

Mr Chairman, on Item 8, for my benefit, the footnote says 'Reserved' in relation to this year's vote and it says 'Revote' in relation to the 1991/92 figure. Does that mean that we propose to spend both this year or what is the effect of the term 'Reserved' in that context?

HON J C PEREZ:

Let me explain that the revote part of it is that part of that expenditure is already committed in that the orders have been placed and the money has not been paid to the provider of the goods yet. Part of that is to pay for those goods. The reserve part of it is that we are not clear in our own mind yet whether the items that have been put forward this year for purchase are actually needed and we have a reserve qualification because it needs to come to the approval of the Council of Ministers if that money is going to be spent. It

could be that next year we find that we have not spent all of it or none of it. Proposals have been put to purchase equipment, we need to scrutinise it further and that is why it is reserved. It will need the approval of Council of Ministers before any of it is spent.

HON P R CARUANA:

So, in fact, that footnote 'Reserved' is completely unparliamentary, in the sense that it does not affect the approval of this House. What you are saying is the Council of Ministers has not approved the sum but the House approves it so that if the Council of Ministers subsequently approves it they do not have to come back to this House.

HON CHIEF MINISTER:

Let me tell the Member that that is one innovation that I did not introduce. It was there in 1972 when I got elected. Just in case!

HON LT-COL E M BRITTO:

Mr Chairman, on Item 13, I take it that in view of the answer the Chief Minister gave to my colleague earlier on that should read 'Refurbishment of Port Launches'.

HON J C PEREZ:

The Chief Minister did say that we had purchased a second-hand launch from the private sector.

HON LT-COL E M BRITTO:

On Item 14, Mr Chairman, I take it that it is not entirely the fenders for the port launches that we are spending £24,000 on.

HON M A FEETHAM:

No this is for the commercial use of the Port.

HON LT-COL E M BRITTO:

I am being a bit fastidious, Mr Chairman.

Head 104 - Support Services was agreed to.

Head 105 - Water Services and Waste Disposal was agreed to.

Head 106 - Electricity and Public Lighting

HON L H FRANCIS:

Mr Chairman, in 'North Face Floodlighting - Control Units', I take there has been a fair amount of expenditure in relation to the whole system of the floodlighting.

Is the Government satisfied that this has been made as vandal proof as possible because they do seem to be a bit vulnerable?

HON J C PEREZ:

I have made the same point to the City Electrical Engineer. Indeed the lighting of the north face by the Moorish Castle had to be given up because of vandalism from youth using what is commonly known as the jungle. The placement of the floodlights on this occasion in the area of Devil's Tower Road are better to protect from a Police point of view but the point has already been made that some wire netting in front of the floodlights might be a good thing to protect them better.

HON LT-COL E M BRITTO:

Would not, Mr Chairman, raising the level of the floodlights above ground level as well as protecting them in the way the Minister has indicated also.....

HON J C PEREZ:

They are raised.

Head 106 - Electricity and Public Lighting was agreed to.

Head 107 - Industry and Development

HON P R CARUANA:

Mr Chairman, Item 7 - 'Land Reclamation' has an estimate of £3.36m. Will the Honourable Minister explain what land reclamation that refers to during the current year? Is it further reclamation or further infrastructural work of existing works??

HON M A FEETHAM:

It is the tying up of the infrastructural contract and some reprovisioning costs as a result of that and a small amount, part of it goes towards further reclamations that may be identified on the ongoing reclamation programme of the Government.

HON P R CARUANA:

Mr Chairman, on Item 8 - 'Eastside Development', we have there a project estimated to £41m of which Government hopes to spend £1m this year presumably on investigative work or preparatory works. Is the Minister able to say whether the £41m is a project that Government expects to undertake itself or is it a project that is floating in the hope of passing it on to the private sector or will this be the Improvement and Development Fund over the next two or three years?

HON CHIEF MINISTER:

We have a certain amount of difficulty with this project because of the location of the project.

HON P R CARUANA:

I think I know what the Chief Minister thinks. The question is not designed to touch upon those sensitive subjects. It is designed simply to establish whether this is a project that Government thinks would be imminent otherwise.

HON M A FEETHAM:

My personal forecast is that the development is likely to be 70/30 in favour of it going ahead at this point in time and that the initial sum that we have there showing is in fact in respect of some costs that need to be paid that are already being expended. Whether it goes ahead or not, that amount will have to be met. We will expect to be making a statement in the near future.

HON P R CARUANA:

One gets information about Government's proposal in relation to tunnels on that part and road access. Is it the Government's position that that aspect of the project will only proceed if the principal reclamation proceeded or will Government proceed with the tunnels and the improved access roads anyway?

HON M A FEETHAM:

The project envisaged that the tunnel will go ahead anyway and it is really a matter of all the interested parties involved in the project being able to proceed as envisaged. As you know there are a number of complicated factors involved. When you talk about the Government, it does not necessarily follow that it is the Government.

HON P R CARUANA:

To the extent that there are public funds involved in that project, are they included in this vote for this year?

HON CHIEF MINISTER:

The amount that we are asking the House to vote is the amount that, as my colleague has explained, has already been expended in the work that has already been done with feasibility studies, technical studies, hydrographic studies in the laboratories in the UK and which has to be met. If we do not proceed and the project nevertheless proceeds under the aegis of somebody else in order to overcome the technicalities then that is still something that will need to be met. But it may well mean that that is as far as we are committed directly.

HON L H FRANCIS:

Mr Chairman, I do not know whether to ask this one under No.24 or under No.2, but I will ask it anyway. As part of the resurfacing programme or as part of the Queensway works, is it envisaged resurfacing during the course of the next year?

HON M A FEETHAM:

The problem there is - I have already tried to explain during the Question and Answer session - that we have to allow a certain amount of time for the infrastructure we have put under ground to settle and identify areas that need to be looked at again. So normally, we are advised that it is about a year the most you need to be able to locate any settlements. You will have noticed, irrespective of that, that we have done quite a fair amount of the areas along Queensway anyway and we will do substantial patching up of areas for another six to seven months and then we will do the whole road again.

HON LT-COL E M BRITTO:

Mr Chairman, on Item 10, I take it that as it is already covered under Item 19, this does not refer to the area of Camp Bay and if it does not, can we have an indication whether it is rock safety against rock falling general or any particular area, like for example, Sandy Bay?

HON M A FEETHAM:

No. Item 10 is wherever it may arise and requires urgent attention and of course the other one is part of the ODA project that you can see we have virtually finished at Camp Bay as a result of the rock falls.

HON LT-COL E M BRITTO:

Is it implicit in the Minister's answer, Mr Chairman, that it is not an identified project that it is provision....

HON M A FEETHAM:

That is right. We use it as and when we need to.

HON F VASQUEZ:

Mr Chairman, on Item 23 - 'Queensway and North Gate Road Alignment'. Is that referring to Ragged Staff Gates?

HON M A FEETHAM:

As a result of having taken on now what used to be the interior Dockyard Road, which is now part of the public highway and as a result of the Queensway development, we need to do a re-alignment and a continuation of the Queensway and this is cost referring to that.

HON F VASQUEZ:

It is not then referring to any tampering with Ragged Staff Gates?

HON M A FEETHAM:

No. I can assure you and guarantee that the arches will stay there for the moment at least anyway!

HON P R CARUANA:

Long may they do so.

Head 107 - Industry and Development was agreed to.

Clauses 1 to 4 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.

THIRD READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Supplementary Appropriation (1991/92) Bill, 1992 and the Appropriation (1992/93) Bill, 1992 have been considered in Committee and agreed to without amendments 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 Supplementary Appropriation (1991/92) Bill, 1992 and the Appropriation (1992/93) Bill, 1992, 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 P J Brooke
The Hon P S Dean

The following Hon Members abstained:

The Hon Lt-Col E M Britto
The Hon P R Caruana
The Hon H Corby
The Hon P Cumming
The Hon L H Francis
The Hon M Ramagge
The Hon F Vasquez

HON P R CARUANA:

Mr Speaker, the Opposition has abstained at this stage. We feel that whilst a censure motion standing in my name remains undebated in this House, it would be inconsistent to support this Bill given that what lies at the root of the motion is not unconnected to the subject matter of the Bill. I would have liked to have explained the reason for the voting in slightly more detail but I suspect that I shall fall foul of Mr Speaker's anticipation ruling and therefore I think that the Honourable Members will have to read between the lines.

MR SPEAKER:

I must recall what I explained at the beginning that the Honourable Leader of the Opposition could if he had wanted withdraw the motion and he would have had the opportunity for going this way. I must point that out because I must not give the impression that the reason for abstaining is in any way because of the ruling that I have passed.

HON P R CARUANA:

Let me put Mr Speaker's mind at rest. The reason for abstaining has got nothing to do with the anticipation ruling.

ADJOURNMENT

HON CHIEF MINISTER:

Mr Speaker, I have the honour to move that this House do now adjourn to Monday 29th June, 1992, at 2.30 pm.

Mr Speaker put the question which was resolved in the affirmative and the House adjourned to Monday 29th June, 1992, at 2.30 pm.

The adjournment of the House to Monday 29th June, 1992, at 2.30 pm was taken at 1.15 pm on Thursday the 28th May, 1992.